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

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**FORM 10-Q**

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(Mark One)

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

For the Quarterly Period Ended December 31, 2022  
OR

**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 pursuant to 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

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 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"/>
		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 February 3, 2023, there were 20,648,685 shares of the registrant's common stock outstanding.

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**StoneX Group Inc.**  
**Quarterly Report on Form 10-Q for the Quarterly Period Ended December 31, 2022**  
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**PART I. FINANCIAL INFORMATION**
**Item 1. Financial Statements**

**StoneX Group Inc.**  
**Condensed Consolidated Balance Sheets**  
*(Unaudited)*

(in millions, except par value and share amounts)	December 31, 2022	September 30, 2022
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,252.1	\$ 1,108.5
Cash, securities and other assets segregated under federal and other regulations (including \$20.0 million and \$805.7 million at fair value at December 31, 2022 and September 30, 2022, respectively)	2,318.7	3,267.2
Collateralized transactions:		
Securities purchased under agreements to resell	2,753.2	1,672.0
Securities borrowed	484.2	1,209.8
Deposits with and receivables from broker-dealers, clearing organizations and counterparties, net (including \$3,129.6 million and \$2,817.2 million at fair value at December 31, 2022 and September 30, 2022, respectively)	6,876.2	6,842.6
Receivable from clients, net (including \$0.3 million and \$(0.5) million at fair value at December 31, 2022 and September 30, 2022, respectively)	595.9	566.2
Notes receivable, net	5.1	5.1
Income taxes receivable	7.1	16.8
Financial instruments owned, at fair value (includes securities pledged as collateral that can be sold or repledged of \$1,495.8 million and \$2,372.3 million at December 31, 2022 and September 30, 2022, respectively)	4,407.9	4,167.3
Physical commodities inventory, net (including \$360.3 million and \$359.8 million at fair value at December 31, 2022 and September 30, 2022, respectively)	612.7	513.5
Deferred income taxes, net	40.0	52.0
Property and equipment, net	115.5	112.9
Operating right of use assets	120.3	121.8
Goodwill and intangible assets, net	91.5	86.2
Other assets	152.0	117.7
Total assets	<u>\$ 19,832.4</u>	<u>\$ 19,859.6</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Liabilities:		
Accounts payable and other accrued liabilities	\$ 403.3	\$ 400.6
Operating lease liabilities	146.1	143.0
Payables to:		
Clients (including \$(820.4) million and \$(1,392.4) million at fair value at December 31, 2022 and September 30, 2022, respectively)	9,212.3	9,891.0
Broker-dealers, clearing organizations and counterparties (including \$13.5 million and \$55.8 million at fair value at December 31, 2022 and September 30, 2022, respectively)	334.8	659.8
Lenders under loans	582.3	485.1
Senior secured borrowings, net	339.8	339.1
Income taxes payable	25.2	16.2
Collateralized transactions:		
Securities sold under agreements to repurchase	4,919.6	3,195.6
Securities loaned	483.9	1,189.5
Financial instruments sold, not yet purchased, at fair value	2,208.5	2,469.6
Total liabilities	<u>18,655.8</u>	<u>18,789.5</u>
Commitments and contingencies (Note 11)		
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; 23,188,290 issued and 20,580,967 outstanding at December 31, 2022 and 22,911,227 issued and 20,303,904 outstanding at September 30, 2022	0.2	0.2
Common stock in treasury, at cost. 2,607,323 shares at December 31, 2022 and September 30, 2022	(69.3)	(69.3)
Additional paid-in-capital	347.2	340.2
Retained earnings	966.2	889.6
Accumulated other comprehensive loss, net	(67.7)	(90.6)
Total equity	<u>1,176.6</u>	<u>1,070.1</u>
Total liabilities and stockholders' equity	<u>\$ 19,832.4</u>	<u>\$ 19,859.6</u>

See accompanying notes to the condensed consolidated financial statements.

**StoneX Group Inc.**  
**Condensed Consolidated Income Statements**  
*(Unaudited)*

(in millions, except share and per share amounts)	Three Months Ended December 31,	
	2022	2021
<b>Revenues:</b>		
Sales of physical commodities	\$ 12,403.4	\$ 13,918.9
Principal gains, net	254.2	251.1
Commission and clearing fees	118.0	116.3
Consulting, management, and account fees	39.8	24.1
Interest income	196.2	31.0
<b>Total revenues</b>	<b>13,011.6</b>	<b>14,341.4</b>
Cost of sales of physical commodities	12,356.8	13,890.9
<b>Operating revenues</b>	<b>654.8</b>	<b>450.5</b>
Transaction-based clearing expenses	67.3	70.9
Introducing broker commissions	36.8	38.3
Interest expense	154.3	15.7
Interest expense on corporate funding	14.4	11.8
<b>Net operating revenues</b>	<b>382.0</b>	<b>313.8</b>
<b>Compensation and other expenses:</b>		
Compensation and benefits	199.0	175.0
Trading systems and market information	17.7	16.1
Professional fees	15.9	11.9
Non-trading technology and support	14.8	13.0
Occupancy and equipment rental	8.9	8.7
Selling and marketing	12.9	11.0
Travel and business development	5.7	2.9
Communications	2.2	1.9
Depreciation and amortization	12.7	9.1
Bad debts (recoveries), net	0.7	(0.2)
Other	19.4	11.9
<b>Total compensation and other expenses</b>	<b>309.9</b>	<b>261.3</b>
Gain on acquisition	23.5	—
<b>Income before tax</b>	<b>95.6</b>	<b>52.5</b>
Income tax expense	19.0	10.8
<b>Net income</b>	<b>\$ 76.6</b>	<b>\$ 41.7</b>
<b>Earnings per share:</b>		
Basic	\$ 3.75	\$ 2.09
Diluted	\$ 3.62	\$ 2.04
<b>Weighted-average number of common shares outstanding:</b>		
Basic	19,771,816	19,383,303
Diluted	20,499,852	19,858,712

See accompanying notes to the condensed consolidated financial statements.

**StoneX Group Inc.**  
**Condensed Consolidated Statements of Comprehensive Income**  
*(Unaudited)*

(in millions)	Three Months Ended December 31,	
	2022	2021
Net income	\$ 76.6	\$ 41.7
Other comprehensive gain/(loss), net of tax:		
Foreign currency translation adjustment	8.2	(1.3)
Cash flow hedges	14.7	(0.1)
Total other comprehensive gain/(loss), net of tax	22.9	(1.4)
Comprehensive income	\$ 99.5	\$ 40.3

See accompanying notes to the condensed consolidated financial statements.

**StoneX Group Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
*(Unaudited)*

(in millions)	Three Months Ended December 31,	
	2022	2021
<b>Cash flows from operating activities:</b>		
Net income	\$ 76.6	\$ 41.7
<b>Adjustments to reconcile net income to net cash provided by/(used in) operating activities:</b>		
Depreciation and amortization	12.7	9.1
Amortization of right of use assets	3.4	3.8
Bad debts (recoveries), net	0.7	(0.2)
Deferred income taxes	4.0	(0.5)
Amortization of debt issuance costs	1.2	1.0
Amortization of share-based compensation	5.5	4.1
Gain on acquisition	(23.5)	—
<b>Changes in operating assets and liabilities, net:</b>		
Securities and other assets segregated under federal and other regulations	585.4	2.5
Securities purchased under agreements to resell	(1,081.2)	(123.7)
Securities borrowed	725.6	(585.1)
Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net	1,318.9	(564.7)
Receivables from clients, net	21.5	(66.7)
Notes receivable, net	—	(0.7)
Income taxes receivable	10.0	3.9
Financial instruments owned, at fair value	(221.1)	654.0
Physical commodities inventory, net	(76.7)	(76.4)
Other assets	(27.5)	(4.8)
Accounts payable and other accrued liabilities	(65.5)	(15.8)
Operating lease liabilities	1.2	(2.9)
Payables to clients	(681.3)	201.7
Payables to broker-dealers, clearing organizations, and counterparties	(325.4)	(260.1)
Income taxes payable	8.2	5.9
Securities sold under agreements to repurchase	1,724.0	(249.2)
Securities loaned	(705.6)	593.5
Financial instruments sold, not yet purchased, at fair value	(244.4)	(170.6)
Net cash provided by/(used in) operating activities	1,046.7	(600.2)
<b>Cash flows from investing activities:</b>		
Acquisition of businesses, net of cash received	(6.5)	—
Purchases of property and equipment	(11.3)	(7.3)
Net cash used in investing activities	(17.8)	(7.3)
<b>Cash flows from financing activities:</b>		
Net change in payables to lenders under loans with maturities 90 days or less	122.1	230.9
Proceeds from payables to lenders under loans with maturities greater than 90 days	110.0	71.0
Repayments of payables to lenders under loans with maturities greater than 90 days	(145.0)	(61.0)
Repayments of senior secured term loan	—	(2.5)
Deferred payments on acquisitions	—	(1.5)
Exercise of stock options	1.5	4.6
Net cash provided by financing activities	88.6	241.5
Effect of exchange rates on cash, segregated cash, cash equivalents, and segregated cash equivalents	8.1	(1.5)
Net increase/(decrease) in cash, segregated cash, cash equivalents, and segregated cash equivalents	1,125.6	(367.5)
Cash, segregated cash, cash equivalents, and segregated cash equivalents at beginning of period	6,285.1	6,509.5
Cash, segregated cash, cash equivalents, and segregated cash equivalents at end of period	\$ 7,410.7	\$ 6,142.0
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid for interest	\$ 164.9	\$ 28.5
Income taxes paid, net of cash refunds	\$ (3.5)	\$ 1.3
<b>Supplemental disclosure of non-cash investing and financing activities:</b>		
Identified intangible assets and goodwill on acquisitions	\$ 8.9	\$ —
Acquisition of business:		
Assets acquired	\$ 139.5	\$ —
Liabilities assumed	82.2	—
Total net assets acquired	\$ 57.3	\$ —

See accompanying notes to the condensed consolidated financial statements.

**StoneX Group Inc.**  
**Condensed Consolidated Statements of Cash Flows - Continued**  
**(Unaudited)**

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

(in millions)	December 31,	
	2022	2021
Cash and cash equivalents	\$ 1,252.1	\$ 983.4
Cash segregated under federal and other regulations <sup>(1)</sup>	2,298.6	2,100.2
Securities segregated under federal and other regulations <sup>(1)</sup>	0.1	—
Cash segregated and deposited with or pledged to exchange-clearing organizations and other futures commission merchants (“FCMs”) <sup>(2)</sup>	2,141.0	3,058.4
Securities segregated and pledged to exchange-clearing organizations <sup>(2)</sup>	1,718.9	—
Total cash, segregated cash, cash equivalents, and segregated cash equivalents shown in the condensed consolidated statements of cash flows	\$ 7,410.7	\$ 6,142.0

<sup>(1)</sup> Represents segregated client cash held at third-party banks. Excludes segregated commodity warehouse receipts, segregated U.S. Treasury obligations with original or acquired maturities of greater than 90 days, and other assets of \$19.9 million and \$11.5 million as of December 31, 2022 and 2021, respectively, included within *Cash, securities and other assets segregated under federal and other regulations* on the Condensed 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 U.S. Treasury obligations pledged to exchange-clearing organizations with original or acquired maturities greater than 90 days, and other assets of \$3,016.3 million and \$2,718.0 million as of December 31, 2022 and 2021, respectively, included within *Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net* on the Condensed Consolidated Balance Sheets.

See accompanying notes to the condensed consolidated financial statements.

**StoneX Group Inc.**  
**Condensed Consolidated Statements of Stockholders' Equity**  
*(Unaudited)*

	Three Months Ended December 31, 2021					
(in millions)	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, net	Total
Balances as of September 30, 2021	\$ 0.2	\$ (69.3)	\$ 315.7	\$ 682.5	\$ (25.1)	\$ 904.0
Net income	—	—	—	41.7	—	41.7
Other comprehensive loss, net of tax	—	—	—	—	(1.4)	(1.4)
Exercise of stock options	—	—	4.6	—	—	4.6
Share-based compensation	—	—	4.1	—	—	4.1
Balances as of December 31, 2021	<u>\$ 0.2</u>	<u>\$ (69.3)</u>	<u>\$ 324.4</u>	<u>\$ 724.2</u>	<u>\$ (26.5)</u>	<u>\$ 953.0</u>

	Three Months Ended December 31, 2022					
(in millions)	Common Stock	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, net	Total
Balances as of September 30, 2022	\$ 0.2	\$ (69.3)	\$ 340.2	\$ 889.6	\$ (90.6)	\$ 1,070.1
Net income	—	—	—	76.6	—	76.6
Other comprehensive gain, net of tax	—	—	—	—	22.9	22.9
Exercise of stock options	—	—	1.5	—	—	1.5
Share-based compensation	—	—	5.5	—	—	5.5
Balances as of December 31, 2022	<u>\$ 0.2</u>	<u>\$ (69.3)</u>	<u>\$ 347.2</u>	<u>\$ 966.2</u>	<u>\$ (67.7)</u>	<u>\$ 1,176.6</u>

See accompanying notes to the condensed consolidated financial statements.



**StoneX Group Inc.**  
**Notes to the Condensed Consolidated Financial Statements**  
**(Unaudited)**

**Note 1 – Basis of Presentation and Consolidation and Accounting Standards Adopted**

StoneX Group Inc., a Delaware corporation, and its consolidated subsidiaries (collectively “StoneX” 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 the one trusted partner to its clients, providing its network, products and services to allow them to pursue trading opportunities, manage their market risks, make investments and improve their 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 services 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 its financial network, while monetizing non-trading client activity including interest and fee earnings on client balances as well as earning consulting fees for market intelligence and risk management services.

The Company provides its services to a diverse group of clients in more than 180 countries. These clients include more than 54,000 commercial, institutional, and global payments clients and over 400,000 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 common stock trades on The NASDAQ Global Select Market under the symbol “SNEX”.

***Basis of Presentation and Consolidation***

The accompanying unaudited Condensed Consolidated Balance Sheet as of September 30, 2022, which has been derived from the audited consolidated balance sheet of September 30, 2022, and the unaudited interim condensed consolidated financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and disclosures normally included in annual consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) have been condensed or omitted pursuant to those rules and regulations. The Company believes that the included disclosures clearly and fairly present the information within. In management’s opinion, all adjustments, generally consisting of normal accruals, considered necessary to fairly present the condensed consolidated financial statements for the interim periods presented have been reflected as required by Rule 10-01 of Regulation S-X.

Operating results for interim periods are not necessarily indicative of the results that may be expected for the related full year. These condensed consolidated financial statements should be read in conjunction with the Company’s audited consolidated financial statements and related notes contained in the Company’s Annual Report on Form 10-K for the fiscal year ended September 30, 2022, as filed with the SEC.

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

The Company’s fiscal year end is September 30, and its fiscal quarters end on December 31, March 31, June 30 and September 30. Unless otherwise stated, all dates refer to fiscal years and fiscal interim periods.

Preparing condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as of the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. The most significant of these estimates and assumptions relate to fair value measurement 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. Estimates and assumptions were considered and made in context with the information reasonably available to the Company as of December 31, 2022 and through the date of this Form 10-Q.

In the Condensed Consolidated Income Statements, the total revenues reported combine gross revenues for the physical commodities business and net revenues for all other businesses. The subtotal *Operating revenues* in the Condensed

Consolidated Income Statements is calculated by deducting *Cost of sales of physical commodities* from *Total revenues*. The subtotal *Net operating revenues* in the Condensed Consolidated Income Statements is calculated as *Operating revenues* less *Transaction-based clearing expenses*, *Introducing broker commissions*, *Interest expense*, and *Interest expense on corporate funding*. *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 certain 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 to operational and administrative employees.

### Gain on acquisition

Gain on acquisition contains the value that the Company acquired in excess of consideration paid for business combinations. More details can be found in Note 17.

### Accounting Standards

The Company did not adopt any new accounting standards during the three months ended December 31, 2022.

### 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 earnings per share computations for the periods presented below.

(in millions, except share amounts)	Three Months Ended December 31,	
	2022	2021
<b>Numerator:</b>		
Net income	\$ 76.6	\$ 41.7
Less: Allocation to participating securities	(2.4)	(1.2)
Net income allocated to common stockholders	\$ 74.2	\$ 40.5
<b>Denominator:</b>		
Weighted average number of:		
Common shares outstanding	19,771,816	19,383,303
Dilutive potential common shares outstanding:		
Share-based awards	728,036	475,409
Diluted weighted-average common shares	20,499,852	19,858,712

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

Options to purchase 83,568 and 282,952 shares of common stock for the three months ended December 31, 2022 and 2021, respectively, were excluded from the calculation of diluted earnings per share as 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. 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 an asset or liability at the measurement date. The Company uses prices and inputs that are current as of 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 participants. 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.

Relevant guidance requires the Company to consider counterparty credit risk of all parties to 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 principally relates to the portfolio of Over-the-counter ("OTC") derivative contracts as all exchange-traded contracts held can be settled on an active market with a credit guarantee 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 Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("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 no contingent liabilities as of December 31, 2022 and September 30, 2022, respectively. The Company had certain options related to business combinations classified as Level 3 assets as of December 31, 2022 and no Level 3 assets as of September 30, 2022.

***Fair value of financial and nonfinancial assets and liabilities that are carried on the Condensed 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 Depositary Receipts ("ADRs"), Global Depositary 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 instruments with such quotes 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 based upon observable inputs for comparable financial instruments, or prices obtained from third-party pricing services or brokers or a combination thereof, and accordingly, classified 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 foreign exchange, 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 and is recorded 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 comparing 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 the 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 sources 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 December 31, 2022 and September 30, 2022. 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 condensed 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 December 31, 2022 and September 30, 2022 by level in the fair value hierarchy. All fair value measurements were performed on a recurring basis as of December 31, 2022 and September 30, 2022.

(in millions)	December 31, 2022				
	Level 1	Level 2	Level 3	Netting (1)	Total
<b>Assets:</b>					
Certificates of deposit	\$ 10.1	\$ —	\$ —	\$ —	\$ 10.1
Money market mutual funds	40.2	—	—	—	40.2
<b>Cash and cash equivalents</b>	<b>50.3</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>50.3</b>
Commodities warehouse receipts	19.9	—	—	—	19.9
U.S. Treasury obligations	0.1	—	—	—	0.1
<b>Securities and other assets segregated under federal and other regulations</b>	<b>20.0</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>20.0</b>
U.S. Treasury obligations	4,090.7	—	—	—	4,090.7
To be announced and forward settling securities	—	65.8	—	(34.0)	31.8
Foreign government obligations	15.2	—	—	—	15.2
Derivatives	4,360.4	1,238.1	—	(6,606.6)	(1,008.1)
<b>Deposits with and receivables from broker-dealers, clearing organizations and counterparties, net</b>	<b>8,466.3</b>	<b>1,303.9</b>	<b>—</b>	<b>(6,640.6)</b>	<b>3,129.6</b>
<b>Receivables from clients, net - Derivatives</b>	<b>35.0</b>	<b>394.8</b>	<b>—</b>	<b>(429.5)</b>	<b>0.3</b>
Equity securities	422.3	24.5	—	—	446.8
Corporate and municipal bonds	—	144.9	—	—	144.9
U.S. Treasury obligations	516.3	—	—	—	516.3
U.S. government agency obligations	—	343.1	—	—	343.1
Foreign government obligations	2.7	—	—	—	2.7
Agency mortgage-backed obligations	—	2,550.3	—	—	2,550.3
Asset-backed obligations	—	57.5	—	—	57.5
Derivatives	4.4	1,020.0	—	(758.3)	266.1
Commodities leases	—	26.1	—	—	26.1
Commodities warehouse receipts	23.4	—	—	—	23.4
Exchange firm common stock	10.1	—	—	—	10.1
Cash flow hedges	—	1.6	—	—	1.6
Mutual funds and other	18.4	0.1	0.5	—	19.0
<b>Financial instruments owned</b>	<b>997.6</b>	<b>4,168.1</b>	<b>0.5</b>	<b>(758.3)</b>	<b>4,407.9</b>
<b>Physical commodities inventory</b>	<b>85.5</b>	<b>274.8</b>	<b>—</b>	<b>—</b>	<b>360.3</b>
<b>Total assets at fair value</b>	<b>\$ 9,654.7</b>	<b>\$ 6,141.6</b>	<b>\$ 0.5</b>	<b>\$ (7,828.4)</b>	<b>\$ 7,968.4</b>
<b>Liabilities:</b>					
<b>Payables to clients - Derivatives</b>	<b>4,360.9</b>	<b>140.9</b>	<b>—</b>	<b>(5,322.2)</b>	<b>(820.4)</b>
TBA and forward settling securities	—	46.0	—	(32.3)	13.7
Derivatives	31.2	1,401.7	—	(1,433.1)	(0.2)
<b>Payable to broker-dealers, clearing organizations and counterparties</b>	<b>31.2</b>	<b>1,447.7</b>	<b>—</b>	<b>(1,465.4)</b>	<b>13.5</b>
Equity securities	367.9	13.3	—	—	381.2
Corporate and municipal bonds	—	93.9	—	—	93.9
U.S. Treasury obligations	1,387.3	—	—	—	1,387.3
U.S. government agency obligations	—	17.1	—	—	17.1
Agency mortgage-backed obligations	—	1.0	—	—	1.0
Derivatives	0.8	948.7	—	(677.1)	272.4
Cash flow hedges	—	54.5	—	—	54.5
Other	—	—	1.1	—	1.1
<b>Financial instruments sold, not yet purchased</b>	<b>1,756.0</b>	<b>1,128.5</b>	<b>1.1</b>	<b>(677.1)</b>	<b>2,208.5</b>
<b>Total liabilities at fair value</b>	<b>\$ 6,148.1</b>	<b>\$ 2,717.1</b>	<b>\$ 1.1</b>	<b>\$ (7,464.7)</b>	<b>\$ 1,401.6</b>

(1) Represents cash collateral and the impact of netting across at each level of the fair value hierarchy.

(in millions)	September 30, 2022				
	Level 1	Level 2	Level 3	Netting (1)	Total
<b>Assets:</b>					
Certificates of deposit	\$ 4.0	\$ —	\$ —	\$ —	\$ 4.0
Money market mutual funds	39.5	—	—	—	39.5
<b>Cash and cash equivalents</b>	<b>43.5</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>43.5</b>
Commodities warehouse receipts	19.7	—	—	—	19.7
U.S. Treasury obligations	786.0	—	—	—	786.0
<b>Securities and other assets segregated under federal and other regulations</b>	<b>805.7</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>805.7</b>
U.S. Treasury obligations	4,258.5	—	—	—	4,258.5
TBA and forward settling securities	—	207.6	—	(91.4)	116.2
Foreign government obligations	14.4	—	—	—	14.4
Derivatives	7,714.4	461.4	—	(9,747.7)	(1,571.9)
<b>Deposits with and receivables from broker-dealers, clearing organizations and counterparties, net</b>	<b>11,987.3</b>	<b>669.0</b>	<b>—</b>	<b>(9,839.1)</b>	<b>2,817.2</b>
<b>Receivables from clients, net - Derivatives</b>	<b>67.2</b>	<b>511.6</b>	<b>—</b>	<b>(579.3)</b>	<b>(0.5)</b>
Equity securities	367.9	11.8	—	—	379.7
Corporate and municipal bonds	—	156.8	—	—	156.8
U.S. Treasury obligations	347.6	—	—	—	347.6
U.S. government agency obligations	—	343.0	—	—	343.0
Foreign government obligations	4.8	—	—	—	4.8
Agency mortgage-backed obligations	—	2,588.7	—	—	2,588.7
Asset-backed obligations	—	70.7	—	—	70.7
Derivatives	0.7	694.3	—	(502.4)	192.6
Commodities leases	—	26.4	—	—	26.4
Commodities warehouse receipts	24.9	—	—	—	24.9
Exchange firm common stock	10.6	—	—	—	10.6
Mutual funds and other	17.4	4.1	—	—	21.5
<b>Financial instruments owned</b>	<b>773.9</b>	<b>3,895.8</b>	<b>—</b>	<b>(502.4)</b>	<b>4,167.3</b>
<b>Physical commodities inventory</b>	<b>136.3</b>	<b>223.5</b>	<b>—</b>	<b>—</b>	<b>359.8</b>
<b>Total assets at fair value</b>	<b>\$ 13,813.9</b>	<b>\$ 5,299.9</b>	<b>\$ —</b>	<b>\$ (10,920.8)</b>	<b>\$ 8,193.0</b>
<b>Liabilities:</b>					
<b>Payables to clients - Derivatives</b>	<b>7,722.5</b>	<b>175.4</b>	<b>—</b>	<b>(9,290.3)</b>	<b>(1,392.4)</b>
TBA and forward settling securities	—	154.9	—	(96.9)	58.0
Derivatives	58.7	590.6	—	(651.5)	(2.2)
<b>Payable to broker-dealers, clearing organizations and counterparties</b>	<b>58.7</b>	<b>745.5</b>	<b>—</b>	<b>(748.4)</b>	<b>55.8</b>
Equity securities	299.9	5.7	—	—	305.6
Foreign government obligations	0.5	—	—	—	0.5
Corporate and municipal bonds	—	63.2	—	—	63.2
U.S. Treasury obligations	1,686.5	—	—	—	1,686.5
U.S. government agency obligations	—	24.3	—	—	24.3
Agency mortgage-backed obligations	—	5.4	—	—	5.4
Derivatives	—	779.7	—	(466.3)	313.4
Cash flow hedges	—	70.6	—	—	70.6
Other	—	0.1	—	—	0.1
<b>Financial instruments sold, not yet purchased</b>	<b>1,986.9</b>	<b>949.0</b>	<b>—</b>	<b>(466.3)</b>	<b>2,469.6</b>
<b>Total liabilities at fair value</b>	<b>\$ 9,768.1</b>	<b>\$ 1,869.9</b>	<b>\$ —</b>	<b>\$ (10,505.0)</b>	<b>\$ 1,133.0</b>

(1) Represents cash collateral and the impact of netting across at each level of the fair value hierarchy.

Realized and unrealized gains and losses are included in *Principal gains, net*, *Interest income*, and *Cost of sales of physical commodities* in the Condensed Consolidated Income Statements.

**Additional disclosures about the fair value of financial instruments that are not carried on the Condensed 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 Condensed Consolidated Balance Sheets. The following represents financial instruments in which the ending balance at December 31, 2022 and September 30, 2022 was not carried at fair value in accordance with U.S. GAAP on the Condensed 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 resell and securities sold under agreements to repurchase, 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 the Company 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 resell and securities sold under agreements to repurchase, 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 equity securities, U.S. Treasury obligations, U.S. government agency obligations, agency mortgage-backed obligations, and asset-backed obligations.

**Receivables and other assets:** Receivables from broker-dealers, clearing organizations, and counterparties, receivables from clients, net, notes receivables, 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 broker-dealers, clearing organizations, and counterparties 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.

**Lenders 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 the Company's 8.625% Senior Secured Notes due 2025 (the "Senior Secured Notes"), as further described in Note 9, with a carrying value of \$339.8 million as of December 31, 2022. The carrying value of the Senior Secured Notes represent their principal amount net of unamortized deferred financing costs and original issue discount. As of December 31, 2022, the Senior Secured Notes had a fair value of \$352.2 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 condensed consolidated financial statements as of December 31, 2022 and September 30, 2022 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 December 31, 2022. The total financial instruments sold, not yet purchased of \$2,208.5 million and \$2,469.6 million as of December 31, 2022 and September 30, 2022, respectively, includes \$272.4 million and \$313.4 million for derivative contracts not designated as hedges, respectively, which represented a liability to the Company based on their fair values as of December 31, 2022 and September 30, 2022.

**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 Condensed Consolidated Balance Sheets in *Deposits with and receivables from broker-dealers, clearing organizations and counterparties, Receivables from clients, net, Financial instruments owned and sold, not yet purchased, at fair value, Payable 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 December 31, 2022 and September 30, 2022. Assets represent net unrealized gains and liabilities represent net unrealized losses.

(in millions)	December 31, 2022		September 30, 2022	
	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	\$ 2,232.4	\$ 2,224.6	\$ 4,520.4	\$ 4,519.3
OTC commodity derivatives	1,330.5	1,272.2	756.9	695.6
Exchange-traded foreign exchange derivatives	690.6	690.6	25.6	25.7
OTC foreign exchange derivatives	833.1	800.2	577.1	549.3
Exchange-traded interest rate derivatives	1,085.2	1,086.1	2,626.8	2,626.7
OTC interest rate derivatives	337.9	337.9	168.9	205.1
Exchange-traded equity index derivatives	391.6	391.6	609.5	609.5
OTC equity and indices derivatives	151.4	81.0	164.4	95.7
TBA and forward settling securities	65.8	46.0	207.6	154.9
Subtotal	7,118.5	6,930.2	9,657.2	9,481.8
<b>Derivative contracts designated as hedging instruments:</b>				
Interest rate contracts	0.3	50.9	—	48.8
Foreign currency forward contracts	1.3	3.6	—	21.8
Subtotal	1.6	54.5	—	70.6
Gross fair value of derivative contracts	\$ 7,120.1	\$ 6,984.7	\$ 9,657.2	\$ 9,552.4
Impact of netting and collateral	(7,828.4)	(7,464.7)	(10,920.8)	(10,505.0)
Total fair value included in <i>Deposits with and receivables from broker-dealers, clearing organizations, and counterparties, net</i>	\$ (976.3)		\$ (1,455.7)	
Total fair value included in <i>Receivables from clients, net</i>	\$ 0.3		\$ (0.5)	
Total fair value included in <i>Financial instruments owned, at fair value</i>	\$ 267.7		\$ 192.6	
Total fair value included in <i>Payables to clients</i>		\$ (820.4)		\$ (1,392.4)
Total fair value included in <i>Payables to broker-dealers, clearing organizations and counterparties</i>		\$ 13.5		\$ 55.8
Total fair value included in <i>Financial instruments sold, not yet purchased, at fair value</i>		\$ 326.9		\$ 384.0

(1) As of December 31, 2022 and September 30, 2022, the Company's derivative contract volume for open positions was approximately 11.2 million and 13.3 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 option 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, unrealized gains in inventory or cash collateral paid or received.

### Hedging Activities

The Company uses interest rate derivatives, in the form of swaps, to hedge risk related to variability in overnight rates. These hedges are designated cash flow hedges, through which the Company mitigates uncertainty in its interest income by converting floating-rate interest income to fixed-rate interest income. While the swaps mitigate interest rate risk, they do introduce credit risk, which is the possibility that the Company's trading counterparty fails to meet its obligation. The Company minimizes this risk by entering into its swaps with highly-rated, multi-national institutions. In addition to credit risk, there is market risk associated with the swap positions. The Company's market risk is limited, because any amounts the Company must pay from

having exchanged variable interest will be funded by the variable interest the Company receives on its deposits. As of December 31, 2022 and September 30, 2022, the Company had \$2,000.0 million and \$1,500.0 million, respectively, in notional value of its interest rate contracts hedges. As of December 31, 2022, the Company's hedges will all have matured by approximately 2 years from the end of the current period.

The Company also uses foreign currency derivatives, in the form of forward contracts, to hedge risk related to the variability in exchange rates relative to certain of the Company's non-USD expenditures. These hedges are designated cash flow hedges, through which the Company mitigates variability in exchange rates by exchanging foreign currency for USD at fixed exchange rates at a pre-determined future date, or several cash flows at several pre-determined future dates. While the forward contracts mitigate exchange rate variability risk, they do introduce credit risk, which is the possibility that the Company's trading counterparty fails to meet its obligation. The Company minimizes this risk by entering into its forward contracts with highly-rated, multi-national institutions. As of December 31, 2022, the Company had foreign currency forward contracts to purchase Polish Zloty with notional values in local currency of z156.1 million and USD of \$33.0 million. As of December 31, 2022 and September 30, 2022, the Company had foreign currency forward contracts to purchase British Pound Sterling with notional values in local currency of £168.0 million and USD of \$206.8 million and £168.0 million and USD of \$207.3 million, respectively. These hedges will all mature within 2 years from the end of the current period.

The Company assesses the effectiveness of its hedges at each reporting period to identify any required reclassifications into current earnings. During the three months ended December 31, 2022 and 2021, the Company did not designate any portion of its hedges as ineffective and thus did not have any values in current earnings related to ineffective hedges. As of December 31, 2022 and September 30, 2022, \$35.7 million and \$9.7 million, respectively, of derivative liabilities related to interest rate contracts are expected to be released from *Other comprehensive income* into current earnings. The Company also had \$0.5 million of derivative assets at December 31, 2022 and \$1.2 million and \$8.9 million of derivative liabilities related to foreign currency forward contracts expected to be released from *Other comprehensive income* into current earnings at December 31, 2022 and September 30, 2022. The fair values of derivative instruments designated for hedging held as of December 31, 2022 are as follow:

(in millions)	Balance Sheet Location	December 31, 2022	September 30, 2022
		Fair Value	Fair Value
<b>Asset Derivatives</b>			
<b>Derivatives designated as hedging instruments:</b>			
Interest rate contracts	Financial instruments owned, net	\$ 0.3	\$ —
Foreign currency forward contracts	Financial instruments owned, net	1.3	—
Total derivatives designated as hedging instruments		\$ 1.6	\$ —
<b>Liability Derivatives</b>			
<b>Derivatives designated as hedging instruments:</b>			
Interest rate contracts	Financial instruments sold, not yet purchased	\$ 50.9	\$ 48.8
Foreign currency forward contracts	Financial instruments sold, not yet purchased	3.6	21.8
Total derivatives designated as hedging instruments		\$ 54.5	\$ 70.6

The Condensed Consolidated Income Statement effects of derivative instruments designated for hedging held for the three months ended December 31, 2022 and 2021 are as follows:

(in millions)	Income Statement Location	Three Months Ended	Three Months Ended
		December 31, 2022	December 31, 2021
<b>Total amounts in income related to hedges</b>			
Interest rate contracts	Interest Income	\$ (5.4)	\$ 0.1
Foreign currency forward contracts	Compensation and benefits	(0.2)	—
Total derivatives designated as hedging instruments		\$ (5.6)	\$ 0.1
<b>(Loss)/Gain on cash flow hedging relationships:</b>			
Amount of (loss)/gain reclassified from accumulated other comprehensive income into income		\$ (5.6)	\$ 0.1
Amount of gain reclassified from accumulated other comprehensive income into income as a result of a forecasted transaction that is no longer probable of occurring		\$ —	\$ —

The accumulated other comprehensive income effects of derivative instruments designated for hedging held for three months ended December 31, 2022 and 2021 are as follow:

(in millions)	Three Months Ended December 31, 2022		
	Amount of Gain/(loss) Recognized in Other Comprehensive Income on Derivatives, net of tax	Location of amount Reclassified from Accumulated Other Comprehensive Income into Income	Amount Reclassified from Accumulated Other Comprehensive Income into Income
<b>Derivatives in Cash Flow Hedging Relationships:</b>			
Interest rate contracts	\$ (1.4)	Interest Income	\$ (5.4)
Foreign currency forward contracts	16.1	Compensation and benefits	(0.2)
Total	\$ 14.7		\$ (5.6)

(in millions)	Three Months Ended December 31, 2021		
	Amount of Loss Recognized in Other Comprehensive Income on Derivatives, net of tax	Location of Gain Reclassified from Accumulated Other Comprehensive Income into Income	Amount of Gain Reclassified from Accumulated Other Comprehensive Income into Income
<b>Derivatives in Cash Flow Hedging Relationships:</b>			
Interest rate contracts	\$ 0.1	Interest Income	\$ 0.1
Total	\$ 0.1		\$ 0.1

The following table sets forth the Company's net gains/(losses) related to derivative financial instruments for the three months ended December 31, 2022 and 2021 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 Condensed Consolidated Income Statements.

(in millions)	Three Months Ended December 31,	
	2022	2021
Commodities	\$ 54.2	\$ 47.7
Foreign exchange	48.8	35.8
Interest rate, equities, and indices	8.3	25.4
TBA and forward settling securities	(23.0)	(2.1)
Net gains from derivative contracts	\$ 88.3	\$ 106.8

### Credit Risk

In the normal course of business, the Company purchases and sells financial instruments, commodities and foreign currencies as either a 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, commodity, 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 primarily involve 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 counterparties' ability to satisfy contractual obligations. The Company seeks to control its credit risk through a variety of reporting and control procedures, including establishing credit and/or position limits based upon a review of the counterparties' financial condition and credit ratings. The Company monitors collateral levels on a daily basis for compliance with regulatory and internal guidelines and 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 result of the execution of orders for commodity futures, options on futures, OTC swaps and options and spot and forward foreign currency contracts on behalf of its clients, substantially all of which are transacted on a margin basis. Such transactions may expose the Company to significant credit risk in the event that 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 credit limits for clients, 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 exchanges 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 December 31, 2022 and September 30, 2022 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

The allowance for doubtful accounts related to deposits with and receivables from broker-dealers, clearing organizations, and counterparties was \$0.1 million as of December 31, 2022 and \$1.4 million as of September 30, 2022. The allowance for doubtful accounts related to receivables from clients was \$47.0 million and \$46.4 million as of December 31, 2022 and September 30, 2022, respectively. The Company had no allowance for doubtful accounts related to notes receivable as of December 31, 2022 and September 30, 2022.

Activity in the allowance for doubtful accounts for the three months ended December 31, 2022 was as follows:

(in millions)	
Balance as of September 30, 2022	\$ 47.8
Recovery of bad debts	(0.4)
Allowance charge-offs	(0.3)
Balance as of December 31, 2022	<u>\$ 47.1</u>

#### Note 6 – Physical Commodities Inventory

The Company's inventories consist of finished physical commodities as shown below.

(in millions)	December 31, 2022	September 30, 2022
Physical Ag & Energy <sup>(1)</sup>	\$ 274.8	\$ 223.6
Precious metals - held by broker-dealer subsidiary	85.5	136.3
Precious metals - held by non-broker-dealer subsidiaries	252.4	153.6
Physical commodities inventory, net	<u>\$ 612.7</u>	<u>\$ 513.5</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 Condensed Consolidated Income Statements.

#### Note 7 – Goodwill

Goodwill allocated to the Company's operating segments is as follows:

(in millions)	December 31, 2022	September 30, 2022
Commercial	\$ 32.6	\$ 32.6
Institutional	9.8	9.8
Retail	5.8	5.8
Global Payments	10.0	10.0
Goodwill	<u>\$ 58.2</u>	<u>\$ 58.2</u>

## Note 8 – Intangible Assets

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):

	December 31, 2022			September 30, 2022		
	Gross Amount	Accumulated Amortization	Net Amount	Gross Amount	Accumulated Amortization	Net Amount
<b>Intangible assets subject to amortization</b>						
Trade/domain names	\$ 4.1	\$ (1.8)	\$ 2.3	\$ 3.7	\$ (1.6)	\$ 2.1
Software programs/platforms	28.5	(21.7)	6.8	28.3	(19.4)	8.9
Client and supplier base	37.9	(19.5)	18.4	29.5	(18.0)	11.5
Total intangible assets subject to amortization	70.5	(43.0)	27.5	61.5	(39.0)	22.5
<b>Intangible assets not subject to amortization</b>						
Website domains	2.1	—	2.1	1.8	—	1.8
Business licenses	3.7	—	3.7	3.7	—	3.7
Total intangible assets not subject to amortization	5.8	—	5.8	5.5	—	5.5
Total intangible assets	\$ 76.3	\$ (43.0)	\$ 33.3	\$ 67.0	\$ (39.0)	\$ 28.0

Amortization expense related to intangible assets was \$3.9 million and \$3.7 million for the three months ended December 31, 2022 and 2021, respectively.

As of December 31, 2022, the estimated future amortization expense was as follows:

<b>(in millions)</b>	
Fiscal 2023 (remaining nine months)	\$ 10.3
Fiscal 2024	6.7
Fiscal 2025	3.5
Fiscal 2026	2.8
Fiscal 2027 and thereafter	4.2
Total intangible assets subject to amortization	\$ 27.5

## Note 9 – 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 \$1,105.0 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 is available to the Company for general working capital requirements and capital expenditures. This \$475.0 million revolving credit facility matures April 21, 2025.
- An unsecured syndicated committed line of credit under which \$180.0 million is available to the Company's wholly owned subsidiary, StoneX Financial Inc., to provide short-term funding of margin to commodity exchanges. The line of credit is subject to annual review and its continued availability is subject to StoneX Financial Inc.'s financial condition and operating results continuing to be satisfactory as set forth in the relevant agreement. This facility was amended during the period to increase the amount available from \$75.0 million to \$180.0 million and extend the maturity to December 11, 2023.
- A \$400.0 million syndicated committed borrowing facility available to the Company's wholly owned subsidiary, StoneX Commodity Solutions LLC, to finance commodity financing arrangements and commodity repurchase agreements. The facility is secured by the assets of StoneX Commodity Solutions LLC and guaranteed by the Company.
- An unsecured syndicated committed borrowing facility under which \$50.0 million is available to the Company's wholly owned subsidiary, StoneX Financial Ltd., for short-term funding of margin to commodity exchanges. This facility was amended to extend its maturity to October 14, 2023. The facility is guaranteed by the Company.

### Uncommitted Credit Facilities

The Company has access to certain uncommitted financing agreements that support its ordinary course securities and commodities inventories. The agreements are subject to certain borrowing terms and conditions. As of December 31, 2022 and September 30, 2022, the Company had \$28.3 million and \$0.0 million total borrowings outstanding under these uncommitted credit facilities, respectively.

#### 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

On June 11, 2020, the Company completed the issuance and sale of \$350 million in aggregate principal amount of the Company's 8.625% Senior Secured Notes due 2025 (the "Notes") at the offering price of 98.5% of the aggregate principal amount. During June 2021, the Company redeemed \$1.6 million principal amount of outstanding Notes, for 103% of the principal amount, plus accrued and unpaid interest. The Company used the proceeds from the issuance of the Notes to fund the consideration for the acquisition of Gain Capital Holdings, Inc., to pay acquisition related costs, and to fund the redemption of the amount of Gain's notes outstanding at acquisition.

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. In connection with issuing the Notes, the Company incurred debt issuance costs of \$9.5 million, which are being amortized over the term of the Notes under the effective interest method.

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 Notes as of the periods indicated:

Borrower	Security	Renewal/Expiration Date	Total Commitment	Amounts Outstanding	
				December 31, 2022	September 30, 2022
<b>Committed Credit Facilities</b>					
Senior StoneX Group Inc. Committed Credit Facility - Revolving Line of Credit	(1)	April 21, 2025	\$ 475.0	\$ 308.0 (5)	\$ 260.0
StoneX Financial Inc.	None	December 11, 2023	180.0	— (5)	—
StoneX Commodity Solutions LLC	Certain commodities assets	July 28, 2024	400.0	238.0 (5)	217.0
StoneX Financial Ltd.	None	October 14, 2023	50.0	— (5)	—
			<u>\$ 1,105.0</u>	<u>\$ 546.0</u>	<u>\$ 477.0</u>
Uncommitted Credit Facilities	Various			28.3 (5)	—
Note Payable to Bank	Certain equipment			8.0 (5)	8.1
Senior Secured Notes	(2)			339.8 (3),(4)	339.1
<b>Total outstanding borrowings</b>				<u>\$ 922.1</u>	<u>\$ 824.2</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 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 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 Notes are reported net of unamortized original issue discount of \$8.1 million and \$8.8 million, in the respective periods presented.

(4) Included in *Senior secured borrowings, net* on the Condensed Consolidated Balance Sheets.

(5) Included in *Lenders under loans* on the Condensed Consolidated Balance Sheets.

As reflected above, some of the Company's committed credit facilities are scheduled to expire during the next twelve months following the quarterly period ended December 31, 2022. The Company intends to renew or replace the other 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.

The Company's credit facility agreements contain financial covenants relating to financial measures on a consolidated basis, as well as on a certain stand-alone subsidiary basis, 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 these covenants could result in the debt becoming payable on demand. As of December 31, 2022, the Company was in compliance with all of its financial covenants under its credit facilities.

#### Note 10 – 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 Condensed Consolidated Income Statements as *Interest income* or *Interest expense*, as applicable. In connection with these agreements and transactions, it is the policy of the Company to receive or pledge cash or securities to adequately collateralize such agreements and transactions in accordance with contractual agreements. 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 December 31, 2022 and September 30, 2022, financial instruments owned, at fair value of \$1,495.8 million and \$2,372.3 million, respectively, were pledged as collateral under repurchase agreements. The counterparty has the right to sell or repledge the collateral in connection with these transactions. These financial instruments owned have been pledged as collateral and have been parenthetically disclosed on the Condensed Consolidated Balance Sheets.

In addition, as of December 31, 2022 and September 30, 2022, the Company had securities pledged or repledged of \$4,305.6 million and \$3,787.8 million, respectively, to cover collateral requirements for tri-party repurchase agreements. These securities have not been parenthetically disclosed on the Condensed Consolidated Balance Sheets because the counterparties do not have the right to sell or repledge the collateral.

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 \$469.6 million and \$1,146.0 million as of December 31, 2022 and September 30, 2022, respectively.

At December 31, 2022 and September 30, 2022, 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 December 31, 2022 and September 30, 2022, was \$8,758.1 million and \$5,836.1 million, respectively, of which \$1,359.6 million and \$1,615.3 million, respectively, was used to cover securities sold short which are recorded in *Financial instruments sold, not yet purchased, at fair value* on the Condensed 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 arrangement and matched-booked trading strategies.

The following tables provide the contractual maturities of gross obligations under repurchase and securities lending agreements as of December 31, 2022 and September 30, 2022 (in millions):

	December 31, 2022				
	Overnight and Open	Less than 30 Days	30-90 Days	Over 90 Days	Total
Securities sold under agreements to repurchase	\$ 2,856.6	\$ 7,358.8	\$ 47.8	\$ 39.1	\$ 10,302.3
Securities loaned	483.9	—	—	—	483.9
Gross amount of secured financing	\$ 3,340.5	\$ 7,358.8	\$ 47.8	\$ 39.1	\$ 10,786.2

	September 30, 2022				
	Overnight and Open	Less than 30 Days	30-90 Days	Over 90 Days	Total
Securities sold under agreements to repurchase	\$ 3,664.7	\$ 2,279.1	\$ 186.3	\$ 3.4	\$ 6,133.5
Securities loaned	1,189.5	—	—	—	1,189.5
Gross amount of secured financing	<u>\$ 4,854.2</u>	<u>\$ 2,279.1</u>	<u>\$ 186.3</u>	<u>\$ 3.4</u>	<u>\$ 7,323.0</u>

The following table provides the underlying collateral types of the gross obligations under repurchase and securities lending agreements as of December 31, 2022 and September 30, 2022 (in millions):

Securities sold under agreements to repurchase	December 31, 2022	September 30, 2022
U.S. Treasury obligations	\$ 5,128.8	\$ 1,311.0
U.S. government agency obligations	441.1	604.1
Asset-backed obligations	171.2	178.0
Agency mortgage-backed obligations	4,255.9	3,762.5
Foreign government obligations	125.1	97.2
Corporate bonds	180.2	180.7
Total securities sold under agreement to repurchase	<u>\$ 10,302.3</u>	<u>\$ 6,133.5</u>
<b>Securities loaned</b>		
Equity securities	\$ 483.9	\$ 1,189.5
Total securities loaned	<u>483.9</u>	<u>1,189.5</u>
Gross amount of secured financing	<u>\$ 10,786.2</u>	<u>\$ 7,323.0</u>

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):

	December 31, 2022		
	Gross Amounts Recognized	Amounts Offset in the Condensed Consolidated Balance Sheet	Net Amounts Presented in the Condensed Consolidated Balance Sheet
<b>Offsetting of collateralized transactions:</b>			
Securities purchased under agreements to resell	\$ 8,135.9	\$ (5,382.7)	\$ 2,753.2
Securities borrowed	\$ 484.2	\$ —	\$ 484.2
Securities sold under agreements to repurchase	\$ 10,302.3	\$ (5,382.7)	\$ 4,919.6
Securities loaned	\$ 483.9	\$ —	\$ 483.9
<b>September 30, 2022</b>			
	Gross Amounts Recognized	Amounts Offset in the Condensed Consolidated Balance Sheet	Net Amounts Presented in the Condensed Consolidated Balance Sheet
<b>Offsetting of collateralized transactions:</b>			
Securities purchased under agreements to resell	\$ 4,609.9	\$ (2,937.9)	\$ 1,672.0
Securities borrowed	\$ 1,209.8	\$ —	\$ 1,209.8
Securities sold under agreements to repurchase	\$ 6,133.5	\$ (2,937.9)	\$ 3,195.6
Securities loaned	\$ 1,189.5	\$ —	\$ 1,189.5

## Note 11 – Commitments and Contingencies

### Contingencies

In November 2018, balances in approximately 300 client accounts of the FCM division of the Company's wholly owned subsidiary, StoneX Financial Inc., declined below required maintenance margin levels and into deficit balances, 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 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 was registered under a CFTC Rule 4.7 exemption for providing



services only to “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 clients’ 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 December 31, 2022, the receivable from these client accounts, net of collections and other allowable deductions, was \$23.2 million, with no individual account receivable exceeding \$1.4 million. As of December 31, 2022, the allowance against these uncollected balances was \$6.8 million. The Company is pursuing collection of the uncollected balances through arbitration proceedings against the account holders. The Company will consider developments in these proceedings, and any other relevant matters, in determining whether any changes in the allowance against the uncollected balances are required.

In these and other arbitration proceedings, clients are seeking damages from StoneX Financial Inc. related to the trading losses in their accounts. During the three months ended December 31, 2022, the Company reached privately negotiated settlements of a number of arbitration proceedings, pursuant to which in most cases the account holders agreed to pay all or a substantial portion of their outstanding deficit balances and in some cases the Company agreed to make certain payments to the account holders that are not material to the Company, individually or in the aggregate. The Company intends to continue vigorously pursuing claims through arbitration and settling cases in what the Company determines to be appropriate circumstances. The ultimate outcome of remaining arbitrations cannot presently be determined.

Depending on future collections and the outcomes of arbitration proceedings, any provisions for bad debts and actual losses may or may not be material to the Company’s financial results. However, the Company believes that the likelihood of a material adverse outcome is remote, and does not currently believe that any potential losses related to this matter would impact its ability to comply with its ongoing liquidity, capital, and regulatory requirements.

### **Legal Proceedings**

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 relevant policy’s limits.

As of December 31, 2022 and September 30, 2022, the Condensed Consolidated Balance Sheets include loss contingency accruals which are not material, individually or in the aggregate, to the Company’s financial position or liquidity. In the opinion of management, possible exposure from loss contingencies in excess of the amounts accrued, is not likely to be material to the Company’s earnings, financial position or liquidity.

Other than the updates provided within *Contingencies*, above, there have been no material changes to the legal actions and proceedings compared to September 30, 2022.

### **Contractual Commitments**

#### *Self-Insurance*

The Company self-insures its costs related to medical and dental claims. The Company is self-insured, up to a stop loss amount, for eligible participating employees and retirees, and for qualified dependent medical and dental claims, subject to deductibles and limitations. As of December 31, 2022, the Company had \$1.3 million accrued for self-insured medical and dental claims included in *Accounts payable and other accrued liabilities* in the Condensed Consolidated Balance Sheet.

**Note 12 – 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 income includes net actuarial losses from defined benefit pension plans, foreign currency translation adjustments, and cash flow hedge gains or losses. See notes 1 and 4 for additional information on cash flow hedges.

The following table summarizes the changes in accumulated other comprehensive loss, net for the three months ended December 31, 2022.

(in millions)	Foreign Currency Translation Adjustment	Pension Benefits Adjustment	Cash Flow Hedge	Accumulated Other Comprehensive Loss, net
Balances as of September 30, 2022	\$ (34.4)	\$ (2.7)	\$ (53.5)	\$ (90.6)
Other comprehensive income, net of tax	8.2	—	14.7	22.9
Balances as of December 31, 2022	\$ (26.2)	\$ (2.7)	\$ (38.8)	\$ (67.7)

**Note 13 – Revenue from Contracts with Clients**

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 in accordance with FASB ASC 606, Revenues from Contracts with Customers (Topic 606). Revenues for these services are recognized when the performance obligations related to the underlying transaction are completed.

Revenues are recognized when control of the promised goods or services are transferred to clients, 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.

Topic 606 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.

The Company's revenues from contracts with clients subject to Topic 606 represent approximately 7.3% and 6.4% of the Company's total revenues for the three months ended December 31, 2022 and 2021, respectively.

Revenues within the scope of Topic 606 are presented within *Commission and clearing fees* and *Consulting, management, and account fees* on the Condensed 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 Condensed 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)	Three Months Ended December 31,	
	2022	2021
<b>Revenues from contracts with clients:</b>		
Commission and clearing fees:		
Sales-based:		
Exchange-traded futures and options	\$ 48.7	\$ 44.6
OTC derivative brokerage	3.6	4.4
Equities and fixed income	15.4	14.6
Mutual funds	0.6	1.2
Insurance and annuity products	1.8	2.8
Other	1.1	0.8
Total sales-based commission	71.2	68.4
Trailing:		
Mutual funds	3.0	3.9
Insurance and annuity products	3.5	4.4
Total trailing commission	6.5	8.3
Clearing fees		
Trade conversion fees	2.4	2.0
Other	1.9	1.2
Total commission and clearing fees	118.0	116.3
Consulting, management, and account fees:		
Underwriting fees	0.2	0.2
Asset management fees	10.7	10.6
Advisory and consulting fees	8.7	7.5
Sweep program fees	11.4	0.5
Client account fees	3.8	3.7
Other	5.0	1.6
Total consulting, management, and account fees	39.8	24.1
Sales of physical commodities:		
Precious metals sales	788.6	780.3
Total revenues from contracts with clients	\$ 946.4	\$ 920.7
Method of revenue recognition:		
Point-in-time	\$ 909.1	\$ 893.8
Time elapsed	37.3	26.9
Total revenues from contracts with clients	946.4	920.7
Other sources of revenues		
Physical precious metals trading	10,479.0	12,315.3
Physical agricultural and energy product trading	1,135.8	823.3
Principal gains, net	254.2	251.1
Interest income	196.2	31.0
Total revenues	\$ 13,011.6	\$ 14,341.4
Total revenues by primary geographic region:		
United States	\$ 1,563.6	\$ 1,124.7
Europe	915.0	884.6
South America	62.2	17.7
Middle East and Asia	10,466.3	12,312.2
Other	4.5	2.2
Total revenues	\$ 13,011.6	\$ 14,341.4
Operating revenues by primary geographic region:		
United States	\$ 489.9	\$ 304.1
Europe	101.5	107.7
South America	31.5	17.7
Middle East and Asia	27.4	18.8
Other	4.5	2.2
Total operating revenues	\$ 654.8	\$ 450.5

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 sales that are recognized on a point-in-time basis are included in the Retail and the Commercial reportable segments

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. The following table indicates the relevant income and expense:

(in millions)	Three Months Ended December 31,	
	2022	2021
Dividend income on long equity positions	\$ 14.2	\$ 61.1
Dividend expense on short equity positions	13.2	52.3
Dividend income net of dividend expense reported within Principal Gains, net	\$ 1.0	\$ 8.8

### Remaining Performance Obligations

Remaining performance obligations are services that the Company 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. For the Company's asset management activities, where fees are calculated based on a percentage of the fair 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 fair value of eligible assets in clients' accounts.

### Note 14 – Other Expenses

Other expenses consisted of the following, for the periods indicated.

(in millions)	Three Months Ended December 31,	
	2022	2021
Non-income taxes	\$ 4.7	\$ 3.6
Insurance	2.7	2.4
Employee related expenses	3.6	2.2
Other direct business expenses	4.0	1.5
Membership fees	0.8	0.7
Director and public company expenses	0.5	0.4
Office expenses	0.4	0.4
Other expenses	2.7	0.7
Total other expenses	\$ 19.4	\$ 11.9

### Note 15 – Income Taxes

The income tax provision for interim periods comprises income tax on ordinary income/(loss) figures provided at the most recent estimated annual effective income tax rate, adjusted for the income tax effect of discrete items. Management uses an estimated annual effective income tax rate based on the forecasted pretax income/(loss) and statutory tax rates in the various jurisdictions in which it operates. The Company's effective income tax rate differs from the U.S. statutory income tax rate primarily due to state and local taxes, global intangible low taxed income ("GILTI"), and differing statutory tax rates applied to the income of non-U.S. subsidiaries. The Company records the tax effect of certain discrete items, including the effects of changes in tax laws, tax rates and adjustments with respect to valuation allowances or other unusual or nonrecurring tax adjustments, in the interim period in which they occur, as an addition to, or reduction from, the income tax provision, rather than being included in the estimated effective annual income tax rate. In addition, jurisdictions with a projected loss for the year or a year-to-date loss where no income tax benefit can be recognized are excluded from the estimated annual effective income tax rate.

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. The Company is required to assess its deferred tax assets and the need for a valuation allowance at each reporting period. This

assessment requires judgment on the part of management with respect to benefits that may be realized. The Company will record a valuation allowance against deferred tax assets when it is considered more likely than not that all or a portion of the deferred tax assets will not be realized.

### **Current and Prior Period Tax Expense**

Income tax expense of \$19.0 million and \$10.8 million for the three months ended December 31, 2022 and 2021, respectively, reflects estimated federal, foreign, state and local income taxes.

For the three months ended December 31, 2022 and 2021, the Company's effective tax rate was 20% and 21%, respectively. The decrease in the effective tax rate for the three months ended December 31, 2022 is due to the permanent difference for non-taxable gain on acquisition, along with share-based compensation discrete items. Excluding these items, the effective tax rate was higher than the U.S. federal statutory rate of 21% due to U.S. state and local taxes, GILTI, U.S. and foreign permanent differences, and the amount of foreign earnings taxed at higher rates.

### **Note 16 – Regulatory Capital Requirements**

The Company's activities are subject to significant governmental regulation, both in the U.S. and in the international jurisdictions in which it operates. Subsidiaries of the Company were in compliance with all of their regulatory requirements as of December 31, 2022. The following table details those subsidiaries with minimum regulatory requirements in excess of \$10.0 million along with the actual balance maintained as of that date.

(in millions)		As of December 31, 2022	
		Actual	Minimum Requirement
Subsidiary	Regulatory Authority		
StoneX Financial Inc.	SEC and CFTC	\$ 443.1	\$ 232.4
StoneX Financial Ltd.	Financial Conduct Authority ("FCA")	\$ 497.8	\$ 358.0
Gain Capital Group, LLC	CFTC and NFA	\$ 48.9	\$ 28.7
StoneX Financial Pte. Ltd.	Monetary Authority of Singapore ("MAS")	\$ 61.9	\$ 15.3
StoneX Markets LLC	CFTC and NFA	\$ 201.4	\$ 120.8

Certain other subsidiaries of the Company, typically 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 December 31, 2022, all of the Company's subsidiaries were in compliance with their local regulatory requirements.

### **Note 17 - Acquisitions**

#### ***Cotton Distributors Inc.***

On October 31, 2022, the Company's wholly owned subsidiary, StoneX Netherlands B.V., acquired CDI-Societe Cottonniere De Distribution S.A ("CDI"), based in Switzerland. CDI operates a global cotton merchant business with clients and producers in Brazil and West Africa as well as buyers throughout Asia. The purchase price is approximately \$42.7 million, which is based on CDI's estimated acquisition date tangible book value as defined by the terms of the purchase agreement and based on Swiss accounting practices, and an earn-out payment due to the seller. The earn-out value is determined by CDI's performance with respect to certain contracts entered into before the acquisition date and settling after the closing date.

During the three months ended December 31, 2022, CDI contributed \$14.0 million of Net operating revenue and \$9.1 million of Net income.

The measurement period for the CDI acquisition remains open as the Company finalizes certain valuation calculations related to intangible assets, net tangible asset value adjustments, the fair values of forward contracts and other derivatives, as well as the earn-out due to the seller. The gain on acquisition was principally due to the fair value of commodity forward purchases and sales contracts and fair value of identified intangible assets acquired exceeding the consideration paid for these assets.

(in millions)	Fair Value
Cash and cash equivalents	\$ 8.2
Deposits with and receivables from broker-dealers, clearing organizations, and counterparties	7.7
Receivables from clients, net	51.9
Financial instruments owned, at fair value	45.7
Deferred income taxes, net	(3.3)
Property and equipment, net	0.1
Physical commodities inventory, net	22.5
Other assets	6.7
Total fair value of tangible assets acquired	139.5
Accounts payable and other accrued liabilities	40.0
Financial instruments sold, not yet purchased, at fair value	28.3
Payables to lenders under loans	10.1
Payable to broker-dealers, clearing organizations, and counterparties	0.4
Payable to clients	2.6
Income taxes payable	0.8
Total fair value of tangible liabilities assumed	82.2
Fair value of tangible net assets acquired	\$ 57.3
Identifiable intangible assets acquired	
Client relationships	\$ 4.7
Supplier relationships	3.7
Trade name	0.4
Non-compete	0.1
Total fair value of intangible assets acquired	8.9
Fair value of identifiable net assets acquired	66.2
Total merger consideration	42.7
Gain on acquisition	\$ 23.5

## Subsequent Acquisition

### Incomm S.A.S.

On February 3, 2023, the Company's subsidiary StoneX Commodity Solutions LLC executed a sale and purchase agreement to acquire all of the outstanding shares of Incomm S.A.S. ("Incomm"), a company duly incorporated and in existence according with the laws of Colombia. This transaction was effective on the closing date of February 3, 2023. Incomm was established to support the import of grain and feed products for Colombian clients, and is a proven resource in management of customs clearing, inventory management at destination ports and providing non-recourse trade finance for destination buyers via local Colombian banks.

The purchase price consists of \$0.2 million of cash consideration and also includes a contingent earn-out with annual payments over the four years following the acquisition. The contingent earn-out payments are variable in nature and equal to a percentage of the acquired business line's pre-tax profits, as defined in the purchase agreement. The business activities of Incomm will be assigned to the Company's Commercial reportable segment.

### Note 18 – Segment Analysis

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 3,700 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 places 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 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, its independent wealth management business offers a comprehensive product suite to retail investors in the U.S.

### ***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)	Three Months Ended December 31,	
	2022	2021
<b>Total revenues:</b>		
Commercial	\$ 12,293.5	\$ 13,823.6
Institutional	343.5	161.3
Retail	316.2	316.3
Global Payments	55.4	42.4
Corporate Unallocated	12.8	2.1
Eliminations	(9.8)	(4.3)
Total	\$ 13,011.6	\$ 14,341.4
<b>Operating revenues:</b>		
Commercial	\$ 182.4	\$ 152.6
Institutional	343.5	161.3
Retail	70.5	96.4
Global Payments	55.4	42.4
Corporate Unallocated	12.8	2.1
Eliminations	(9.8)	(4.3)
Total	\$ 654.8	\$ 450.5
<b>Net operating revenues (loss):</b>		
Commercial	\$ 152.7	\$ 129.7
Institutional	143.2	92.9
Retail	43.9	64.8
Global Payments	53.3	40.3
Corporate Unallocated	(11.1)	(13.9)
Total	\$ 382.0	\$ 313.8
<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	\$ 115.7	\$ 90.7
Institutional	94.6	57.4
Retail	39.2	60.0
Global Payments	42.1	31.9
Total	\$ 291.6	\$ 240.0
<b>Segment income/(loss):</b>		
(Net contribution less non-variable direct segment costs)		
Commercial	\$ 82.8	\$ 65.5
Institutional	62.0	31.9
Retail	(4.2)	23.4
Global Payments	32.3	24.5
Total	\$ 172.9	\$ 145.3
<b>Reconciliation of segment income to income before tax:</b>		
Segment income	\$ 172.9	\$ 145.3
Net costs not allocated to operating segments	(100.8)	(92.8)
Gain on acquisition	23.5	—
Income before tax	\$ 95.6	\$ 52.5
	<b>As of December 31, 2022</b>	<b>As of September 30, 2022</b>
<b>(in millions)</b>		
<b>Total assets:</b>		
Commercial	\$ 5,225.8	\$ 5,931.0
Institutional	12,482.4	11,687.1
Retail	953.5	971.2
Global Payments	420.4	524.0
Corporate Unallocated	750.3	746.3
Total	\$ 19,832.4	\$ 19,859.6



## Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

Throughout this document, unless the context otherwise requires, the terms “Company”, “we”, “us” and “our” refer to StoneX Group Inc. and its consolidated subsidiaries.

The following discussion and analysis should be read in conjunction with the condensed consolidated financial statements and notes thereto appearing elsewhere in this report. This Quarterly Report on Form 10-Q 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 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, United States (“U.S.”) federal and U.S. state securities laws, the impact of changes in technology in the securities and commodities trading industries and the potential impact of the coronavirus (“COVID-19”) pandemic on our business, operations, results of operations, financial condition, workforce or the operations or decisions of our clients, 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. 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 approximately 3,700 employees as of December 31, 2022. 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 our Annual Report on Form 10-K for the fiscal year ended September 30, 2022.

We report our operating segments based primarily on the nature of the clients we serve (commercial, institutional, and retail), and a fourth operating segment, our global payments business. See Segment Information for a listing of business activities performed within our reportable segments.

### Executive Summary

The first quarter of fiscal 2023 was marked with the continuing effects of inflationary pressures on global markets and significant increases in short term interest rates. Volatility continued in both financial and physical markets, however at more diminished levels than we experienced during much of fiscal 2022. The impact of these effects resulted in continued strong volumes across most of our product offerings during the three months ended December 31, 2022, as well as a significant increase in interest and fee income earned on client balances, however with spreads declining in listed and OTC derivatives as well as FX/CFD contracts. During the three months ended December 31, 2022, we acquired CDI-Societe Cotonniere De Distribution S.A (“CDI”), based in Switzerland. CDI operates a global cotton merchant business with clients and producers in Brazil and West Africa as well as buyers in the APAC region.

Operating revenues increased \$204.3 million, or 45%, to \$654.8 million in the three months ended December 31, 2022 compared to \$450.5 million in the three months ended December 31, 2021, led by our Institutional segment, which added \$182.2 million compared to the three months ended December 31, 2021. In addition, our Commercial and Global Payments segments added \$29.8 million and \$13.0 million, respectively, compared to the three months ended December 31, 2021. Operating revenues in our Retail segment declined \$25.9 million, compared to the three months ended December 31, 2021.

Net operating revenues increased \$68.2 million, or 22%, to \$382.0 million in the three months ended December 31, 2022 compared to \$313.8 million in the three months ended December 31, 2021, led by our Institutional segment, which added \$50.3 million compared to the three months ended December 31, 2021. In addition, our Commercial and Global Payments segments added \$23.0 million and \$13.0 million, respectively, compared to the three months ended December 31, 2021. Net operating revenues in our Retail segment declined \$20.9 million, compared to the three months ended December 31, 2021.

Interest and fee income on client balances increased \$77.9 million, or 939%, to \$86.2 million in the three months ended December 31, 2022 compared to the three months ended December 31, 2021, principally driven by a significant increase in short term interest rates as well as strong growth in our client balances, as the average client equity increased \$3.5 billion, or

76%, to \$8.2 billion and average money-market/FDIC sweep balances were relatively flat in the three months ended December 31, 2022 compared to the three months ended December 31, 2021.

Overall segment income increased \$27.6 million, or 19%, to \$172.9 million in the three months ended December 31, 2022 compared to \$145.3 million in the three months ended December 31, 2021. This growth in segment income was led by our Institutional segment which increased \$30.1 million in the three months ended December 31, 2022 compared to the three months ended December 31, 2021. This growth in segment income was driven by a \$182.2 million increase in operating revenues, which was partially offset by a \$132.9 million increase in interest expense, of which \$93.3 million was related to our activities as an institutional fixed income dealer, as well as a \$13.1 million increase in variable compensation and a \$7.1 million increase in non-variable direct expenses, compared to the three months ended December 31, 2021.

Segment income in our Commercial segment increased \$17.3 million compared to the three months ended December 31, 2021, principally as a result of strong growth in interest/fees earned on client balances as well as in operating revenues derived from physical contracts, both in agricultural products as a result of the acquisition of CDI as well as continued growth in client activity in precious metals in the three months ended December 31, 2022 compared to the three months ended December 31, 2021. This growth was partially offset by a \$7.7 million increase in non-variable direct expenses compared to the three months ended December 31, 2021.

Segment income in Global Payments increased \$7.8 million in the three months ended December 31, 2022 compared to the three months ended December 31, 2021, principally as a result of a 23% increase in average daily volume (“ADV”) and a 7% increase in rate per million (“RPM”) of global payments transacted.

Our Retail segment had a loss of \$4.2 million in the three months ended December 31, 2022 compared to segment income of \$23.4 million in the three months ended December 31, 2021. This decline was principally as a result of a 41% decline in operating revenues derived from FX/Contracts for Difference (“CFD”) contracts as a result of diminished volatility and tighter trading ranges in our larger volume markets. In addition, non-variable direct expenses increased \$6.8 million compared to the three months ended December 31, 2021.

Interest expense related to corporate funding purposes increased \$2.6 million to \$14.4 million in the three months ended December 31, 2022 compared to \$11.8 million in the three months ended December 31, 2021, principally due to higher short-term interest rates and an increase in debt issuance costs related to the credit facility renewed in April 2022.

On the expense side, we continue to focus on maintaining our variable cost model and limiting the growth of our non-variable expenses. To that end, variable expenses were 54% of total expenses in the three months ended December 31, 2022 compared to 57% in the three months ended December 31, 2021. Non-variable expenses, excluding bad debts, increased \$29.6 million, period-over-period, principally due to higher fixed compensation and benefits, professional fees, selling and marketing expenses, depreciation and amortization, travel and business development, trading system and market information and non-trading technology and support.

Our net income increased \$34.9 million to \$76.6 million in the three months ended December 31, 2022 compared to \$41.7 million in the three months ended December 31, 2021. Net income includes a \$23.5 million gain on the acquisition of CDI which is included in *Gain on acquisition* on the Condensed Consolidated Income Statement. This gain on acquisition is non-taxable, and accordingly there is no corresponding income tax provision amount recorded related to the gain. Diluted earnings per share were \$3.62 for the three months ended December 31, 2022 compared to \$2.04 in the three months ended December 31, 2021.

#### ***Recent Events Affecting the Financial Services Industry***

On January 31, 2023, we were notified by ION Group, one of our vendors which provides back office trade processing services relating to certain of our listed derivatives businesses, that it had experienced a cybersecurity incident, which rendered certain of its services inaccessible to us and its other clients. As a result of the incident, we imposed restrictions on clients of our UK subsidiary relating to the trading of listed derivatives. We are continuing to assess the impact of the ION incident.

## Selected Summary Financial Information

### Results of Operations

Our total revenues, as reported, combine gross revenues for the physical commodities business and net revenues for all other businesses. Management believes that operating revenues, which deduct the cost of sales of physical commodities from total revenues, is a more useful financial measure with which to assess our results of operations. The table below sets forth our operating revenues, as well as other key financial measures, for the periods indicated:

### Financial Information (Unaudited)

(in millions)	Three Months Ended December 31,		
	2022	2021	% Change
<b>Revenues:</b>			
Sales of physical commodities	\$ 12,403.4	\$ 13,918.9	(11)%
Principal gains, net	254.2	251.1	1%
Commission and clearing fees	118.0	116.3	1%
Consulting, management, and account fees	39.8	24.1	65%
Interest income	196.2	31.0	533%
<b>Total revenues</b>	<b>13,011.6</b>	<b>14,341.4</b>	<b>(9)%</b>
Cost of sales of physical commodities	12,356.8	13,890.9	(11)%
<b>Operating revenues</b>	<b>654.8</b>	<b>450.5</b>	<b>45%</b>
Transaction-based clearing expenses	67.3	70.9	(5)%
Introducing broker commissions	36.8	38.3	(4)%
Interest expense	154.3	15.7	883%
Interest expense on corporate funding	14.4	11.8	22%
<b>Net operating revenues</b>	<b>382.0</b>	<b>313.8</b>	<b>22%</b>
Compensation and benefits	199.0	175.0	14%
Bad debts (recoveries), net	0.7	(0.2)	n/m
Other expenses	110.2	86.5	27%
<b>Total compensation and other expenses</b>	<b>309.9</b>	<b>261.3</b>	<b>19%</b>
Gain on acquisition	23.5	—	100%
<b>Income before tax</b>	<b>95.6</b>	<b>52.5</b>	<b>82%</b>
Income tax expense	19.0	10.8	76%
<b>Net income</b>	<b>\$ 76.6</b>	<b>\$ 41.7</b>	<b>84%</b>
<b>Balance Sheet information:</b>			
	<b>December 31, 2022</b>	<b>December 31, 2021</b>	<b>% Change</b>
Total assets	\$ 19,832.4	\$ 19,229.0	3%
Payables to lenders under loans	\$ 582.3	\$ 489.5	19%
Senior secured borrowings, net	\$ 339.8	\$ 505.2	(33)%
Stockholders' equity	\$ 1,176.6	\$ 953.0	23%

The tables below display operating revenues disaggregated across the key products we provide to our clients and select operating data and metrics used by management in evaluating our performance, for the periods indicated.

All \$ amounts are U.S. dollar or U.S. dollar equivalents

	Three Months Ended December 31,		
	2022	2021	% Change
<b>Operating Revenues (in millions):</b>			
Listed derivatives	\$ 99.8	\$ 100.6	(1)%
Over-the-counter (“OTC”) derivatives	42.5	46.7	(9)%
Securities	234.1	122.7	91%
FX / Contracts For Difference (“CFD”) contracts	48.8	72.2	(32)%
Global payments	54.2	41.3	31%
Physical contracts	59.7	40.9	46%
Interest / fees earned on client balances	86.2	8.3	939%
Other	26.5	20.0	33%
Corporate Unallocated	12.8	2.1	510%
Eliminations	(9.8)	(4.3)	128%
	<u>\$ 654.8</u>	<u>\$ 450.5</u>	<u>45%</u>

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

Listed derivatives (contracts, 000’s)	40,199	36,713	9%
Listed derivatives, average rate per contract <sup>(1)</sup>	\$ 2.33	\$ 2.62	(11)%
Average client equity - listed derivatives (millions)	\$ 8,222	\$ 4,675	76%
OTC derivatives (contracts, 000’s)	717	763	(6)%
OTC derivatives, average rate per contract	\$ 60.08	\$ 61.11	(2)%
Securities average daily volume (“ADV”) (millions)	\$ 4,231	\$ 2,711	56%
Securities rate per million (“RPM”) <sup>(2)</sup>	\$ 422	\$ 529	(20)%
Average money market / FDIC sweep client balances (millions)	\$ 1,535	\$ 1,574	(2)%
FX / CFD contracts ADV (millions)	\$ 12,830	\$ 12,793	—%
FX / CFD contracts RPM	\$ 63	\$ 86	(27)%
Global Payments ADV (millions)	\$ 75	\$ 61	23%
Global Payments RPM	\$ 11,431	\$ 10,637	7%

<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 expense associated with our fixed income activities is deducted from operating revenues in the calculation of Securities RPM, while interest income related to securities lending is excluded.

## Operating Revenues

### Three Months Ended December 31, 2022 Compared to Three Months Ended December 31, 2021

Operating revenues increased \$204.3 million, or 45%, to \$654.8 million in the three months ended December 31, 2022 compared to \$450.5 million in the three months ended December 31, 2021.

Operating revenues derived from listed derivatives declined \$0.8 million, or 1%, to \$99.8 million in the three months ended December 31, 2022 compared to \$100.6 million in the three months ended December 31, 2021. This decline was principally due to an 11% decline in the average rate per contract, which was partially offset by a 9% increase in listed derivative contract volumes compared to the three months ended December 31, 2021.

Operating revenues derived from OTC derivatives declined \$4.2 million, or 9%, to \$42.5 million in the three months ended December 31, 2022 compared to \$46.7 million in the three months ended December 31, 2021. This was the result of 6% and 2% declines in OTC derivative contract volumes and the average rate per contract, respectively, compared to the three months ended December 31, 2021.

Operating revenues derived from securities transactions increased \$111.4 million, or 91%, to \$234.1 million in the three months ended December 31, 2022 compared to \$122.7 million in the three months ended December 31, 2021. This increase was principally due to a 56% increase in ADV, as well as a significant increase in interest rates. Carried interest on fixed income securities is a component of operating revenues, however interest expense associated with financing these positions is not. As a result of the significant increase in short term rates, we have amended our calculation of Securities RPM, in the table above, to present the RPM after deducting from operating revenues the interest expense associated with our fixed income activities. Net operating revenues derived from securities transactions increased \$20.9 million, or 29%, to \$93.4 million in the three months ended December 31, 2022 compared to \$72.5 million in the three months ended December 31, 2021. This increase was principally due to a 56% increase in ADV, which was partially offset by a 20% decline in RPM as a result of a change in product mix traded.

Operating revenues derived from FX/CFD contracts declined \$23.4 million, or 32%, to \$48.8 million in the three months ended December 31, 2022 compared to \$72.2 million in the three months ended December 31, 2021, principally due to a 27% decline in FX/CFD RPM.

Operating revenues from global payments increased \$12.9 million, or 31%, to \$54.2 million in the three months ended December 31, 2022 compared to \$41.3 million in the three months ended December 31, 2021, principally driven by a 23% increase in ADV and a 7% increase in global payments RPM.

Operating revenues derived from physical contracts increased \$18.8 million, or 46%, to \$59.7 million in the three months ended December 31, 2022 compared to \$40.9 million in the three months ended December 31, 2021. This increase was principally due to the acquisition of CDI, effective October 31, 2022, as well as increased activity in our physical precious metals businesses.

Interest and fee income earned on client balances, which is associated with our listed and OTC derivatives, correspondent clearing, and independent wealth management product offerings, increased \$77.9 million, or 939%, to \$86.2 million in the three months ended December 31, 2022 compared to \$8.3 million in the three months ended December 31, 2021. This was principally driven by an increase in average client equity of 76%, as well as an increase in short-term interest rates.

### Interest and Transactional Expenses

*Three Months Ended December 31, 2022 Compared to Three Months Ended December 31, 2021*

#### Transaction-based clearing expenses

	Three Months Ended December 31,			
	2022	2021	\$ Change	% Change
Transaction-based clearing expenses	\$ 67.3	\$ 70.9	\$ (3.6)	(5)%
<i>Percentage of operating revenues</i>	10%	16%		

The decrease in transaction-based clearing expense was principally due to lower fees in the Equity Capital Markets business, a decrease in FX / CFD ADV within the Retail Forex business, and a counterparty credit of variable bank fees recognized within our treasury group. The decline in the percentage of operating revenues was principally due to the significant increase in interest income.

#### Introducing broker commissions

	Three Months Ended December 31,			
	2022	2021	\$ Change	% Change
Introducing broker commissions	\$ 36.8	\$ 38.3	\$ (1.5)	(4)%
<i>Percentage of operating revenues</i>	6%	9%		

The decrease in introducing broker commission expense was principally due to lower revenues within our Independent Wealth Management and Retail Forex businesses, resulting in lower costs, partially offset by higher costs in our Asset Management and Exchange-Traded Futures and Options businesses, as well as incremental expense from the CDI acquisition, effective October 31, 2022. The decline in the percentage of operating revenues was principally due to the significant increase in interest income.

## Interest expense

	Three Months Ended December 31,			
	2022	2021	\$ Change	% Change
Interest expense attributable to:				
Trading activities:				
Institutional dealer in fixed income securities	\$ 96.3	\$ 3.0	\$ 93.3	3,110%
Securities borrowing	7.9	5.7	2.2	39%
Client balances on deposit	36.5	0.4	36.1	9,025%
Short-term financing facilities of subsidiaries and other direct interest of operating segments	13.6	6.6	7.0	106%
	154.3	15.7	138.6	883%
Corporate funding	14.4	11.8	2.6	22%
Total interest expense	\$ 168.7	\$ 27.5	\$ 141.2	513%

The increase in interest expense attributable to trading activities was principally due to an increase in short term interest rates, an increase in ADV in our fixed income business, an increase in client balances on which we pay interest and an increase in average borrowings within our Commercial segment.

The increase in interest expense attributable to corporate funding was principally due to higher short-term interest rates on our revolving credit facility as well as an increase in average borrowings.

## Net Operating Revenues

Net operating revenues is one of the key measures used by management to assess operating segment performance. 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:

	Three Months Ended December 31,		
	2022	2021	% Change
<b>Net Operating Revenues (in millions):</b>			
Listed derivatives	\$ 48.6	\$ 50.1	(3)%
OTC derivatives	42.5	46.6	(9)%
Securities	93.4	72.5	29%
FX / CFD contracts	38.1	61.1	(38)%
Global Payments	52.1	39.2	33%
Physical contracts	51.0	36.5	40%
Interest, net / fees earned on client balances	49.6	7.5	561%
Other	17.8	14.2	25%
Corporate Unallocated	(11.1)	(13.9)	(20)%
	\$ 382.0	\$ 313.8	22%

## Compensation and Other Expenses

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

(in millions)	Three Months Ended December 31,		
	2022	2021	% Change
<b>Compensation and benefits:</b>			
Variable compensation and benefits	\$ 118.5	\$ 100.4	18%
Fixed compensation and benefits	80.5	74.6	8%
	199.0	175.0	14%
<b>Other expenses:</b>			
Trading systems and market information	17.7	16.1	10%
Professional fees	15.9	11.9	34%
Non-trading technology and support	14.8	13.0	14%
Occupancy and equipment rental	8.9	8.7	2%
Selling and marketing	12.9	11.0	17%
Travel and business development	5.7	2.9	97%
Communications	2.2	1.9	16%
Depreciation and amortization	12.7	9.1	40%
Bad debts, net of recoveries	0.7	(0.2)	(450)%
Other	19.4	11.9	63%
	110.9	86.3	29%
<b>Total compensation and other expenses</b>	<b>\$ 309.9</b>	<b>\$ 261.3</b>	<b>19%</b>

Three Months Ended December 31, 2022 Compared to Three Months Ended December 31, 2021

**Compensation and Other Expenses:** Compensation and other expenses increased \$48.6 million, or 19%, to \$309.9 million in the three months ended December 31, 2022 compared to \$261.3 million in the three months ended December 31, 2021.

### Compensation and Benefits:

(in millions)	Three Months Ended December 31,			
	2022	2021	\$ Change	% Change
<b>Compensation and benefits:</b>				
Variable compensation and benefits				
Front office	\$ 100.8	\$ 87.2	\$ 13.6	16%
Administrative, executive, and centralized and local operations	17.7	13.2	4.5	34%
<b>Total variable compensation and benefits</b>	<b>118.5</b>	<b>100.4</b>	<b>18.1</b>	<b>18%</b>
<i>Variable compensation and benefits as a percentage of net operating revenues</i>	31%	32%		
Fixed compensation and benefits:				
Non-variable salaries	61.4	53.2	8.2	15%
Employee benefits and other compensation, excluding share-based compensation	13.5	17.3	(3.8)	(22)%
Share-based compensation	5.6	4.1	1.5	37%
<b>Total fixed compensation and benefits</b>	<b>80.5</b>	<b>74.6</b>	<b>5.9</b>	<b>8%</b>
<b>Total compensation and benefits</b>	<b>199.0</b>	<b>175.0</b>	<b>24.0</b>	<b>14%</b>
<i>Total compensation and benefits as a percentage of operating revenues</i>	30%	39%		
Number of employees, end of period	3,725	3,297	428	13%

Non-variable salaries increased principally due to the increase in headcount resulting from expanding capabilities among our business lines, as well as the growth in our operational and overhead departments supporting our business growth.

Employee benefits and other compensation, excluding share-based compensation, decreased principally due to an increase in employee-elected deferred incentive, which is exchanged for restricted stock that will be amortized over a thirty-six month period following the grant date, partially offset by higher payroll, benefits, and retirement costs principally from the increased headcount. Share-based compensation includes stock option and restricted stock expense.

**Other Expenses:** Other non-compensation expenses increased \$24.6 million, or 29%, to \$110.9 million in the three months ended December 31, 2022 compared to \$86.3 million in the three months ended December 31, 2021.

Trading systems and market information increased \$1.6 million, principally due to higher market information costs in the Debt Capital Markets and Equity Capital Markets businesses.

Professional fees increased \$4.0 million, principally due to higher legal, accounting, and other consulting fees.

Non-trading technology and support increased \$1.8 million, principally due to higher non-trading software implementation costs related to various IT systems.

Selling and marketing costs increased \$1.9 million, principally due to increased campaigns related to our Retail Forex business, as well as increased costs of hosted conferences and marketing communications materials across various businesses.

Travel and business development increased \$2.8 million, principally due to higher transportation and lodging costs across several business lines with the lifting of certain social distancing and travel restrictions, following periods of limited travel.

Depreciation and amortization increased \$3.6 million, principally due to the incremental depreciation expense from internally developed software placed into service, as well as higher amortization on leasehold improvements and intangibles acquired.

Other expenses increased \$7.5 million, principally due to higher non-variable direct business costs, non-compensation employee based expenses, non-income taxes, and certain settlement matters.

Bad debts, net of recoveries increased \$0.9 million over the prior year. During the three months ended December 31, 2022, bad debts, net of recoveries were \$0.7 million, principally related to client trading account deficits in our Commercial and Retail segments. During the three months ended December 31, 2021, bad debts of \$0.5 million were more than offset by recoveries of \$0.7 million.

**Gain on Acquisition:** The results of the three months ended December 31, 2022 include a gain of \$23.5 million related to the acquisition of CDI.

**Provision for Taxes:** The effective income tax rate was 20% in the three months ended December 31, 2022 compared to 21% in the three months ended December 31, 2021. The gain on acquisition of \$23.5 million in the three months ended December 31, 2022 was not taxable and reduced the effective income tax rate by 6.5%. The decrease in the effective tax rate for the period ending December 31, 2022 is due to the permanent difference for non-taxable gain on acquisition, along with share-based compensation discrete items. Excluding these items, the effective tax rate was higher than the U.S. federal statutory rate of 21% due to U.S. state and local taxes, GILTI, U.S. and foreign permanent differences, and the amount of foreign earnings taxed at higher rates.

### 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)	Three Months Ended December 31,			
	2022	% of Total	2021	% of Total
Variable compensation and benefits	\$ 118.5	29%	\$ 100.4	27%
Transaction-based clearing expenses	67.3	16%	70.9	20%
Introducing broker commissions	36.8	9%	38.3	10%
Total variable expenses	222.6	54%	209.6	57%
Fixed compensation and benefits	80.5	19%	74.6	20%
Other fixed expenses	110.2	27%	86.5	23%
Bad debts (recoveries), net	0.7	—%	(0.2)	—%
Total non-variable expenses	191.4	46%	160.9	43%
Total non-interest expenses	\$ 414.0	100%	\$ 370.5	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.



## 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 approximately 3,700 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 revenues are calculated as operating revenues 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. This fixed percentage is applied to revenues generated, and in some cases, revenues generated less transaction-based clearing expenses, base salaries and other expenses/allocations.

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 shows summary information concerning all of our business segments combined.

(in millions)	Three Months Ended December 31,			
	2022	% of Operating Revenues	2021	% of Operating Revenues
Revenues:				
Sales of physical commodities	\$ 12,403.4		\$ 13,918.9	
Principal gains, net	255.3		250.9	
Commission and clearing fees	118.6		116.5	
Consulting, management, and account fees	39.2		23.2	
Interest income	192.1		34.1	
<b>Total revenues</b>	<b>13,008.6</b>		<b>14,343.6</b>	
Cost of sales of physical commodities	12,356.8		13,890.9	
Operating revenues	651.8	100%	452.7	100%
Transaction-based clearing expenses	67.1	10%	70.4	16%
Introducing broker commissions	36.8	6%	38.5	9%
Interest expense	154.8	24%	16.1	4%
Net operating revenues	393.1		327.7	
Variable direct compensation and benefits	101.5	16%	87.7	19%
Net contribution	291.6		240.0	
Fixed compensation and benefits	45.1		39.5	
Other fixed expenses	72.9		55.4	
Bad debts (recoveries), net	0.7		(0.2)	
Total non-variable direct expenses	118.7	18%	94.7	21%
Segment income	\$ 172.9		\$ 145.3	

### Three Months Ended December 31, 2022 Compared to Three Months Ended December 31, 2021

Net contribution for all of our business segments increased \$51.6 million, or 22%, to \$291.6 million in the three months ended December 31, 2022 compared to \$240.0 million in the three months ended December 31, 2021. Segment income increased \$27.6 million, or 19%, to \$172.9 million in the three months ended December 31, 2022 compared to \$145.3 million in the three months ended December 31, 2021.

## Commercial

We offer our commercial clients a comprehensive array of products and services, including risk management and hedging services, execution and clearing exchange-traded and OTC products, voice brokerage, market intelligence and physical trading, as well as commodity financing and logistics services. We believe providing these high-value-added products and services differentiates us from our competitors and maximizes our opportunity to retain our 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)	Three Months Ended December 31,		
	2022	2021	% Change
<b>Revenues:</b>			
Sales of physical commodities	\$ 12,149.4	\$ 13,696.4	(11)%
Principal gains, net	69.7	76.1	(8)%
Commission and clearing fees	38.8	38.8	—%
Consulting, management and account fees	6.5	5.4	20%
Interest income	29.1	6.9	322%
<b>Total revenues</b>	<b>12,293.5</b>	<b>13,823.6</b>	<b>(11)%</b>
Cost of sales of physical commodities	12,111.1	13,671.0	(11)%
<b>Operating revenues</b>	<b>182.4</b>	<b>152.6</b>	<b>20%</b>
Transaction-based clearing expenses	13.2	13.0	2%
Introducing broker commissions	7.5	6.3	19%
Interest expense	9.0	3.6	150%
<b>Net operating revenues</b>	<b>152.7</b>	<b>129.7</b>	<b>18%</b>
Variable direct compensation and benefits	37.0	39.0	(5)%
<b>Net contribution</b>	<b>115.7</b>	<b>90.7</b>	<b>28%</b>
Fixed compensation and benefits	13.7	11.6	18%
Other fixed expenses	18.7	14.2	32%
Bad debts (recoveries), net	0.5	(0.6)	n/m
<b>Non-variable direct expenses</b>	<b>32.9</b>	<b>25.2</b>	<b>31%</b>
<b>Segment income</b>	<b>\$ 82.8</b>	<b>\$ 65.5</b>	<b>26%</b>

(in millions)	Three Months Ended December 31,		
	2022	2021	% Change
<b>Operating revenues (in millions):</b>			
Listed derivatives	\$ 53.8	\$ 57.7	(7)%
OTC derivatives	42.5	46.7	(9)%
Physical contracts	53.7	37.4	44%
Interest / fees earned on client balances	26.1	5.4	383%
Other	6.3	5.4	17%
	<b>\$ 182.4</b>	<b>\$ 152.6</b>	<b>20%</b>
<b>Select data (all \$ amounts are U.S. dollar or U.S. dollar equivalents):</b>			
Listed derivatives (contracts, 000's)	7,887	7,499	5%
Listed derivatives, average rate per contract <sup>(1)</sup>	\$ 6.67	\$ 7.30	(9)%
Average client equity - listed derivatives (millions)	\$ 2,136	\$ 1,715	25%
OTC derivatives (contracts, 000's)	717	763	(6)%
OTC derivatives, average rate per contract	\$ 60.08	\$ 61.11	(2)%

<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.

#### Three Months Ended December 31, 2022 Compared to Three Months Ended December 31, 2021

Operating revenues increased \$29.8 million, or 20%, to \$182.4 million in the three months ended December 31, 2022 compared to \$152.6 million in the three months ended December 31, 2021. Net operating revenues increased \$23.0 million, or 18%, to \$152.7 million in the three months ended December 31, 2022 compared to \$129.7 million in the three months ended December 31, 2021.

Operating revenues derived from listed derivatives declined \$3.9 million, or 7%, to \$53.8 million in the three months ended December 31, 2022 compared to \$57.7 million in the three months ended December 31, 2021. This decline was principally due to a 9% decrease in the average rate per contract, which was partially offset by a 5% increase in overall listed derivatives contract volumes.

Operating revenues derived from OTC derivatives declined \$4.2 million, or 9%, to \$42.5 million in the three months ended December 31, 2022 compared to \$46.7 million in the three months ended December 31, 2021. This increase was principally due to a 2% decline in the average rate per contract, as well as a 6% decline in OTC derivative volumes compared to the three months ended December 31, 2021.

Operating revenues derived from physical contracts increased \$16.3 million, or 44%, to \$53.7 million in the three months ended December 31, 2022 compared to \$37.4 million in the three months ended December 31, 2021. This increase was principally due to an \$11.8 million increase in operating revenues in our physical agricultural and energy business, primarily as a result of the acquisition of CDI during the three months ended December 31, 2022. In addition, precious metals operating revenues increased \$4.7 million compared with the prior year period. Operating revenues during the three months ended December 31, 2022 were unfavorably impacted by losses on derivative positions of \$4.2 million, related to physical inventories held at the lower of cost or net realizable value. Operating revenues during the three months ended December 31, 2021 were favorably impacted by realized gains of \$0.8 million on the sale of physical inventories carried at the lower of cost or net realizable value, for which losses on related derivative positions were recognized in prior periods.

Interest and fee income earned on client balances increased \$20.7 million, or 383%, to \$26.1 million in the three months ended December 31, 2022 compared to \$5.4 million in the three months ended December 31, 2021 as a result of a 25% increase in average client equity to \$2,136 million as well as a significant increase in short term interest rates.

Variable expenses, excluding interest, expressed as a percentage of operating revenues were 32% in the three months ended December 31, 2022 compared to 38% in the three months ended December 31, 2021. The decline in variable expenses as a percentage of operating revenues was principally due to the increase in interest/fees earned on client balances during the three months ended December 31, 2022.

Segment income increased \$17.3 million, or 26%, to \$82.8 million in the three months ended December 31, 2022 compared to \$65.5 million in the three months ended December 31, 2021, principally due to the growth in operating revenues, which was partially offset by a \$7.7 million increase in non-variable direct expenses. The increase in non-variable direct expenses was principally driven by a \$2.1 million increase in fixed compensation and benefits, a \$0.8 million increase in travel and business development, a \$0.5 million increase in non-trading technology and support, a \$0.5 million increase in depreciation and amortization, as well as a \$1.1 million unfavorable variance in bad debt expense compared to the three months ended December 31, 2021.

## 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)	Three Months Ended December 31,		
	2022	2021	% Change
<b>Revenues:</b>			
Sales of physical commodities	\$ —	\$ —	—%
Principal gains, net	101.2	67.4	50%
Commission and clearing fees	67.5	62.3	8%
Consulting, management and account fees	16.8	4.8	250%
Interest income	158.0	26.8	490%
<b>Total revenues</b>	<b>343.5</b>	<b>161.3</b>	<b>113%</b>
Cost of sales of physical commodities	—	—	—%
<b>Operating revenues</b>	<b>343.5</b>	<b>161.3</b>	<b>113%</b>
Transaction-based clearing expenses	47.0	49.5	(5)%
Introducing broker commissions	8.6	7.1	21%
Interest expense	144.7	11.8	n/m
<b>Net operating revenues</b>	<b>143.2</b>	<b>92.9</b>	<b>54%</b>
Variable direct compensation and benefits	48.6	35.5	37%
<b>Net contribution</b>	<b>94.6</b>	<b>57.4</b>	<b>65%</b>
Fixed compensation and benefits	12.7	11.0	15%
Other fixed expenses	20.0	14.4	39%
Bad debts (recoveries), net	(0.1)	0.1	(200)%
<b>Non-variable direct expenses</b>	<b>32.6</b>	<b>25.5</b>	<b>28%</b>
<b>Segment income</b>	<b>\$ 62.0</b>	<b>\$ 31.9</b>	<b>94%</b>

(in millions)	Three Months Ended December 31,		
	2022	2021	% Change
<b>Operating revenues (in millions):</b>			
Listed derivatives	\$ 46.0	\$ 42.9	7%
Securities	213.0	97.5	118%
FX contracts	9.2	5.3	74%
Interest / fees earned on client balances	59.3	2.6	n/m
Other	16.0	13.0	23%
	<b>\$ 343.5</b>	<b>\$ 161.3</b>	<b>113%</b>
<b>Select data (all \$ amounts are U.S. dollar or U.S. dollar equivalents):</b>			
Listed derivatives (contracts, 000's)	32,312	29,214	11%
Listed derivatives, average rate per contract <sup>(1)</sup>	\$ 1.27	\$ 1.42	(11)%
Average client equity - listed derivatives (millions)	\$ 6,086	\$ 2,960	106%
Securities ADV (millions)	\$ 4,231	\$ 2,711	56%
Securities RPM <sup>(2)</sup>	\$ 422	\$ 529	(20)%
Average money market / FDIC sweep client balances (millions)	\$ 1,535	\$ 1,574	(2)%
FX contracts ADV (millions)	\$ 4,868	\$ 3,934	24%
FX contracts RPM	\$ 30	\$ 20	50%

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

<sup>(2)</sup> Interest expense associated with our fixed income activities is deducted from operating revenues in the calculation of Securities RPM, while interest income related to securities lending is excluded.

*Three Months Ended December 31, 2022 Compared to Three Months Ended December 31, 2021*

Operating revenues increased \$182.2 million, or 113%, to \$343.5 million in the three months ended December 31, 2022 compared to \$161.3 million in the three months ended December 31, 2021. Net operating revenues increased \$50.3 million, or 54%, to \$143.2 million in the three months ended December 31, 2022 compared to \$92.9 million in the three months ended December 31, 2021.

Operating revenues derived from listed derivatives increased \$3.1 million, or 7%, to \$46.0 million in the three months ended December 31, 2022 compared to \$42.9 million in the three months ended December 31, 2021, principally due to a 11% increase in listed derivative contract volumes which was partially offset by a 11% decline in the average rate per contract.

Operating revenues derived from securities transactions increased \$115.5 million, or 118%, to \$213.0 million in the three months ended December 31, 2022 compared to \$97.5 million in the three months ended December 31, 2021. The ADV of securities traded increased 56%, principally driven by increased client activity in both equity and fixed income markets. Carried interest on fixed income securities is a component of operating revenues, however interest expense associated with financing these positions is not. As a result of the significant increase in short term rates, we have amended our calculation of Securities RPM, in the table above, to present the RPM after deducting from operating revenues the interest expense associated with our fixed income activities. The securities RPM decreased 20% in the three months ended December 31, 2022 compared to the three months ended December 31, 2021, principally as a result of a change in product mix traded.

Operating revenues derived from FX contracts increased \$3.9 million, or 74%, to \$9.2 million in the three months ended December 31, 2022 compared to \$5.3 million in the three months ended December 31, 2021, primarily driven by a 24% increase in the ADV of FX contracts and a 50% increase in the FX contract RPM.

Interest and fee income earned on client balances, which is associated with our listed derivative and correspondent clearing businesses increased \$56.7 million, principally driven by a significant increase in both average client equity and short-term interest rates.

As a result of the increase in short term interest rates and the increase in ADV, interest expense increased \$132.9 million, to \$144.7 million in the three months ended December 31, 2022 compared to \$11.8 million in the three months ended December 31, 2021, with interest expense directly associated with serving as an institutional dealer in fixed income securities increasing \$93.3 million, interest paid to clients increasing \$33.1 million and interest expense directly attributable to securities lending activities increasing \$2.2 million compared to the prior year period.

Variable expenses, excluding interest, expressed as a percentage of operating revenues were 30% in the three months ended December 31, 2022 compared to 57% in the three months ended December 31, 2021. The decline in the percentage of operating revenues was principally due to the significant increase in interest income.

Segment income increased \$30.1 million, or 94%, to \$62.0 million in the three months ended December 31, 2022 compared to \$31.9 million in the three months ended December 31, 2021, as a result of the increase in net operating revenues noted above, which was partially offset by a \$13.1 million increase in variable compensation, as well as a \$7.1 million increase in non-variable direct expenses compared to the three months ended December 31, 2021, including a \$1.7 million increase in fixed compensation and benefits, a \$1.7 million increase in professional fees and a \$1.5 million increase in trading systems and market information.

## 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 U.S.

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)	Three Months Ended December 31,		
	2022	2021	% Change
<b>Revenues:</b>			
Sales of physical commodities	\$ 254.0	\$ 222.5	14%
Principal gains, net	31.8	67.2	(53)%
Commission and clearing fees	10.7	13.8	(22)%
Consulting, management and account fees	14.9	12.4	20%
Interest income	4.8	0.4	1,100%
<b>Total revenues</b>	<b>316.2</b>	<b>316.3</b>	<b>—%</b>
Cost of sales of physical commodities	245.7	219.9	12%
<b>Operating revenues</b>	<b>70.5</b>	<b>96.4</b>	<b>(27)%</b>
Transaction-based clearing expenses	5.3	6.0	(12)%
Introducing broker commissions	20.2	25.0	(19)%
Interest expense	1.1	0.6	83%
<b>Net operating revenues</b>	<b>43.9</b>	<b>64.8</b>	<b>(32)%</b>
Variable direct compensation and benefits	4.7	4.8	(2)%
<b>Net contribution</b>	<b>39.2</b>	<b>60.0</b>	<b>(35)%</b>
Fixed compensation and benefits	13.2	12.9	2%
Other fixed expenses	29.9	23.4	28%
Bad debts, net of recoveries	0.3	0.3	—%
<b>Non-variable direct expenses</b>	<b>43.4</b>	<b>36.6</b>	<b>19%</b>
<b>Segment (loss) income</b>	<b>\$ (4.2)</b>	<b>\$ 23.4</b>	<b>(118)%</b>

(in millions)	Three Months Ended December 31,		
	2022	2021	% Change
<b>Operating revenues (in millions):</b>			
Securities	\$ 21.1	\$ 25.2	(16)%
FX / CFD contracts	39.6	66.9	(41)%
Physical contracts	6.0	3.5	71%
Interest / fees earned on client balances	0.8	0.3	167%
Other	3.0	0.5	500%
	<b>\$ 70.5</b>	<b>\$ 96.4</b>	<b>(27)%</b>
<b>Select data (all \$ amounts are U.S. dollar or U.S. dollar equivalents):</b>			
FX / CFD contracts ADV (millions)	\$ 7,962	\$ 8,860	(10)%
FX / CFD contracts RPM	\$ 82	\$ 115	(29)%

### Three Months Ended December 31, 2022 Compared to Three Months Ended December 31, 2021

Operating revenues declined \$25.9 million, or 27%, to \$70.5 million in the three months ended December 31, 2022 compared to \$96.4 million in the three months ended December 31, 2021. Net operating revenues decreased \$20.9 million, or 32%, to \$43.9 million in the three months ended December 31, 2022 compared to \$64.8 million in the three months ended December 31, 2021.

Operating revenues derived from FX/CFD contracts declined \$27.3 million, or 41%, to \$39.6 million in the three months ended December 31, 2022 compared to \$66.9 million in the three months ended December 31, 2021 primarily as a result of a 29% decline in RPM and a 10% decline in FX/CFD contracts ADV compared to the three months ended December 31, 2021. These declines were principally driven by diminished volatility and tighter trading ranges in our larger volume markets which resulted in reduced client trading activity and spread capture.

Operating revenues derived from securities transactions, which relates to our independent wealth management activities, declined \$4.1 million, or 16%, to \$21.1 million in the three months ended December 31, 2022 compared to \$25.2 million in the three months ended December 31, 2021.

Operating revenues derived from physical contracts increased \$2.5 million, or 71% to \$6.0 million in the three months ended December 31, 2022 compared to \$3.5 million in the three months ended December 31, 2021.

Interest and fee income earned on client balances increased \$0.5 million, to \$0.8 million the three months ended December 31, 2022, primarily as a result of an increase in short term interest rates.

Variable expenses, excluding interest, as a percentage of operating revenues were 43% in the three months ended December 31, 2022 compared to 37% in the three months ended December 31, 2021, with the increase in the variable rate percentage resulting from the decline in operating revenues derived from FX/CFD contracts which have a lower variable expense component.

Segment income decreased \$27.6 million to a segment loss of \$4.2 million in the three months ended December 31, 2022 compared to segment income of \$23.4 million in the three months ended December 31, 2021, primarily as a result of the decline in net operating revenues noted above as well as a \$6.8 million increase in non-variable direct expenses compared to the three months ended December 31, 2021. The increase in non-variable direct expenses was principally due to a \$1.8 million increase in depreciation and amortization, a \$1.1 million increase in selling and marketing expenses, a \$0.6 million increase in non-trading technology and support, a \$0.3 million increase in travel and business development and a \$0.2 million increase in professional fees.

## Global Payments

We provide customized foreign exchange and treasury services to banks and commercial businesses, charities, non-governmental organizations, as well as 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)	Three Months Ended December 31,		
	2022	2021	% Change
<b>Revenues:</b>			
Sales of physical commodities	\$ —	\$ —	—%
Principal gains, net	52.6	40.2	31%
Commission and clearing fees	1.6	1.6	—%
Consulting, management, account fees	1.0	0.6	67%
Interest income	0.2	—	n/m
<b>Total revenues</b>	<b>55.4</b>	<b>42.4</b>	<b>31%</b>
Cost of sales of physical commodities	—	—	—%
<b>Operating revenues</b>	<b>55.4</b>	<b>42.4</b>	<b>31%</b>
Transaction-based clearing expenses	1.6	1.9	(16)%
Introducing broker commissions	0.5	0.1	400%
Interest expense	—	0.1	(100)%
<b>Net operating revenues</b>	<b>53.3</b>	<b>40.3</b>	<b>32%</b>
Variable compensation and benefits	11.2	8.4	33%
<b>Net contribution</b>	<b>42.1</b>	<b>31.9</b>	<b>32%</b>
Fixed compensation and benefits	5.5	4.0	38%
Other fixed expenses	4.3	3.4	26%
Bad debts	—	—	—%
<b>Total non-variable direct expenses</b>	<b>9.8</b>	<b>7.4</b>	<b>32%</b>
<b>Segment income</b>	<b>\$ 32.3</b>	<b>\$ 24.5</b>	<b>32%</b>



(in millions)	Three Months Ended December 31,		
	2022	2021	% Change
<b>Operating revenues (in millions):</b>			
Payments	\$ 54.2	\$ 41.3	31%
Other	1.2	1.1	9%
	<u>\$ 55.4</u>	<u>\$ 42.4</u>	<u>31%</u>
Select data (all \$ amounts are U.S. dollar or U.S. dollar equivalents):			
Global Payments ADV (millions)	\$ 75	\$ 61	23%
Global Payments RPM	\$ 11,431	\$ 10,637	7%

### Three Months Ended December 31, 2022 Compared to Three Months Ended December 31, 2021

Operating revenues increased \$13.0 million, or 31%, to \$55.4 million in the three months ended December 31, 2022 compared to \$42.4 million in the three months ended December 31, 2021. Net operating revenues increased \$13.0 million, or 32%, to \$53.3 million in the three months ended December 31, 2022 compared to \$40.3 million in the three months ended December 31, 2021.

The increase in operating revenues was principally due to a 23% increase in the average daily notional payment volume as well as a 7% increase in the RPM traded. The increase in payment volume was principally due to seasonal activity from our charitable and non-governmental organization clients, the onboarding of new financial institution clients and increased client activity across our client base.

Variable expenses, excluding interest, expressed as a percentage of operating revenues were 24% in the three months ended December 31, 2022 compared to 25% in the three months ended December 31, 2021.

Segment income increased \$7.8 million, or 32%, to \$32.3 million in the three months ended December 31, 2022 compared to \$24.5 million in the three months ended December 31, 2021. This increase was principally due to the increase in net operating revenues, partially offset by a \$2.4 million increase in non-variable direct expenses, primarily fixed compensation and benefits and recruitment costs related to the expansion of our payment offerings as well as an increase in travel and business development.

### Unallocated Costs and Expenses

The following table provides information regarding our unallocated costs and expenses. These 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, which are not included in the results of the operating segments above.

(in millions)	Three Months Ended December 31,		
	2022	2021	% Change
<b>Compensation and benefits:</b>			
Variable compensation and benefits	\$ 15.5	\$ 11.4	36%
Fixed compensation and benefits	29.9	30.0	—%
	<u>45.4</u>	<u>41.4</u>	<u>10%</u>
<b>Other expenses:</b>			
Occupancy and equipment rental	8.8	8.6	2%
Non-trading technology and support	9.6	9.6	—%
Professional fees	7.8	5.5	42%
Depreciation and amortization	5.7	5.0	14%
Communications	1.6	1.4	14%
Selling and marketing	0.9	0.7	29%
Trading systems and market information	2.1	1.2	75%
Travel and business development	1.6	0.6	167%
Other	6.2	4.9	27%
	<u>44.3</u>	<u>37.5</u>	<u>18%</u>
Total compensation and other expenses	<u>\$ 89.7</u>	<u>\$ 78.9</u>	<u>14%</u>

### *Three Months Ended December 31, 2022 Compared to Three Months Ended December 31, 2021*

Total unallocated costs and other expenses increased \$10.8 million, or 14%, to \$89.7 million in the three months ended December 31, 2022 compared to \$78.9 million in the three months ended December 31, 2021. Compensation and benefits increased \$4.0 million, or 10%, to \$45.4 million in the three months ended December 31, 2022 compared to \$41.4 million in the three months ended December 31, 2021, principally due to an increase in variable compensation resulting from stronger results of operations as well as an increase in headcount.

Average administrative headcount increased 20% in the three months ended December 31, 2022 compared to the three months ended December 31, 2021, principally within IT development, compliance, and client engagement. Other non-compensation expenses increased \$6.8 million, or 18%, to \$44.3 million in the three months ended December 31, 2022 compared to \$37.5 million in the three months ended December 31, 2021 principally due to higher legal fees, not directly related to a business, market information and travel costs.

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

### *Overview*

Liquidity is our ability to generate sufficient funding to meet all of our cash needs. Liquidity is of critical importance to us and imperative to maintaining our operations on a daily basis. Senior management establishes liquidity and capital policies, which we monitor and review for funding from both internal and external sources. We continuously evaluate how effectively our policies support 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 accessing 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 Securities and Exchange Commission ("SEC") and is a member of both the Financial Industry Regulatory Authority ("FINRA") and the Municipal Securities Rulemaking Board ("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 even 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.

StoneX Markets LLC is a CFTC provisionally registered swap dealer, whose business is overseen by the NFA. CFTC 23.154, Calculation of Initial Margin rules impose 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.

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

StoneX Financial Ltd is regulated by the Financial Conduct Authority ("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 'MIFIDPRU' regulation. To comply with these standards, we have implemented daily liquidity procedures, conduct periodic reviews of liquidity by stressed scenarios, and are required to maintain enough liquidity for the firm to survive for one year under the appropriate stressed conditions.

The regulations discussed above limit funds available for dividends to us. As a result, we may be unable to access our operating subsidiaries' funds when we need them.

In our physical commodities trading, commercial hedging OTC, securities and foreign exchange trading activities, we may be required 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 December 31, 2022, we had total equity of \$1,176.6 million, outstanding loans under revolving credit facilities of \$582.3 million, and \$339.8 million outstanding on our senior secured notes, net of deferred financing costs.

A substantial portion of our assets are liquid. As of December 31, 2022, 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 deposit financed 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.

#### *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 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 obligated 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 related required payments 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.

### *OptionSellers*

In November 2018, balances in approximately 300 accounts of the futures commission merchant (“FCM”) division of our wholly owned subsidiary, StoneX Financial Inc., declined below required maintenance margin levels and into deficit balances, 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 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 owners 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 December 31, 2022, the receivable from these client accounts, net of collections and other allowable deductions was \$23.2 million, with no individual account receivable exceeding \$1.4 million. As of December 31, 2022, the allowance against these uncollected balances was \$6.8 million. We are pursuing collection of the uncollected balances through arbitration proceedings against the account holders. We will consider developments in these proceedings, and any other relevant matters, in determining whether any changes in the allowance against the uncollected balances are required.

In these and other arbitration proceedings, clients are seeking damages from StoneX Financial Inc. relating to the trading losses in their accounts. During the three months ended December 31, 2022, we reached privately negotiated settlements of a number of arbitration proceedings, pursuant to which in most cases the accounts holders agreed to pay all or a substantial portion of their outstanding deficit balances and in some cases we agreed to make certain payments to the account holders that are not material to us, individually or in the aggregate. We intend to continue vigorously pursuing claims through arbitration and settling cases in what we determine to be appropriate circumstances. The ultimate outcome of remaining arbitrations cannot presently be determined.

Depending on future collections and the outcomes of arbitration proceedings, any provisions for bad debts and actual losses may or may not be material to our financial results. However, we believe that the likelihood of a material adverse outcome is remote, and 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 client cash and securities held for clients 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 December 31, 2022 and September 30, 2022, were \$19.8 billion and \$19.9 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 us or other affiliates due to specific regulatory requirements. This restriction has no current impact on our ability to meet our cash obligations, and no such impact is expected in the future.

We have liquidity and funding policies and processes in place that are intended to maintain sufficient flexibility to address both company-specific and industry liquidity needs. The majority of our excess funds is 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 \$11.4 million and \$4.0 million for the three months ended December 31, 2022 and 2021, 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 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 was redeemed in August 2022.

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 certain of its domestic subsidiaries.

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. We have had the right, since June 15, 2022, to redeem the Notes, in whole or in part, at the redemption prices set forth in the indenture.

## Committed Credit Facilities

As of December 31, 2022, we had four committed bank credit facilities, totaling \$1,105.0 million, of which \$546.0 million was outstanding. Additional information regarding the committed bank credit facilities can be found in Note 9 of the Condensed Consolidated Financial Statements. The credit facilities include:

- A three-year first-lien senior secured syndicated loan facility committed until April 21, 2025, under which \$475.0 million is available to us for general working capital requirements and capital expenditures.
- An unsecured line of credit committed until December 11, 2023, under which \$180.0 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 borrowing facility committed until July 28, 2024, under which \$400.0 million is available to our wholly owned subsidiary, StoneX Commodity Solutions LLC, to finance commodity financing arrangements and commodity repurchase agreements.
- An unsecured syndicated loan facility committed until October 14, 2023, under which our subsidiary, StoneX Financial Ltd is entitled to borrow up to \$50.0 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.

Our facility agreements contain certain financial covenants relating to financial measures on a consolidated basis, as well as on a stand-alone basis for certain subsidiaries, 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 December 31, 2022, 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 December 31, 2022, interest expense directly attributable to trading activities includes \$155.6 million in connection with trading activities conducted as an institutional dealer in fixed income securities, and \$25.2 million in connection with securities lending activities.

As reflected above, certain of the Company’s committed credit facilities are scheduled to expire during the next twelve months following the quarterly period ended December 31, 2022. The Company intends to renew or replace the other 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.

## Uncommitted Credit Facilities

We have access to certain uncommitted financing agreements that support our ordinary course securities and commodities inventories. The agreements are subject to certain borrowing terms and conditions. As of December 31, 2022 and September 30, 2022, the Company had \$28.3 million and \$0.0 million total borrowings outstanding under these uncommitted credit facilities, respectively.

## 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 December 31, 2022. Additional information on our subsidiaries subject to significant net capital and minimum net capital requirements can be found in Note 16 of the Condensed Consolidated Financial Statements.

Our subsidiary, StoneX Markets LLC (“StoneX Markets”), is a CFTC provisionally registered swap dealer, and under these capital rules is subject to a minimum regulatory capital requirement. StoneX Markets has elected to utilize the “bank-based” approach, as reflected in CFTC Rule 23.101(a)(1)(i) to calculate its capital requirements. Under the “bank-based” approach StoneX Markets must satisfy the following capital requirements: Common Equity Tier 1 (“CET1”) capital of at least \$20 million; (ii) CET1 equal to at least 6.5% of its risk weighted assets (“RWA”); (iii) CET1, Additional Tier 1, and Tier 2 (collectively, total aggregate Bank Holding Company (“BHC”) capital) equal to at least 8% of its RWA; (iv) total aggregate BHC capital equal to 8% of its uncleared swap margin; and (v) the minimum capital required by NFA. Aggregate BHC capital and the related net capital requirement may fluctuate on a daily basis.

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.

### *Cash Flows*

We include client cash and securities that meet the short-term requirement for cash classification to be segregated for regulatory purposes in our Condensed Consolidated Statements of Cash Flows. We hold a significant amount of U.S. Treasury obligations, which represent investments 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 Condensed 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 by \$1,125.6 million from \$6,285.1 million as of September 30, 2022 to \$7,410.7 million as of December 31, 2022. During the three months ended December 31, 2022, net cash of \$1,046.7 million was provided by operating activities, \$17.8 million was used in investing activities and net cash of \$88.6 million was provided by financing activities.

Net cash provided by financing activities during the three months ended December 31, 2022 included significant inflows from payables to lenders under 90 days of \$122.1 million. Further outflows related to repayments on our revolving line of credit with maturities greater than 90 days exceeding borrowings by \$35.0 million. Also, we recorded \$1.5 million in funds received for stock option exercises.

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 included \$11.3 million in capital expenditures for property and equipment during the three months ended December 31, 2022 compared to \$7.3 million during the prior year. Additionally, we expended \$6.5 million of net cash on the CDI acquisition.

Fluctuations in exchange rates increased our cash, segregated cash, cash equivalents and segregated cash equivalents by \$8.1 million.

On August 23, 2022, our Board of Directors authorized the repurchase of up to 1.0 million shares of our outstanding common stock in open market purchases and private transactions, commencing on October 1, 2022 and ending on September 30, 2023. 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. Based upon our current operations, we believe that cash flows from operations, available cash and available borrowings under our credit facilities will be adequate to meet our future liquidity needs for the following year. Any projections of future earnings and cash flows are subject to substantial uncertainty, particularly in light of the rapidly changing market and economic conditions created by the COVID-19 pandemic. We may need to access debt and equity markets in the future if unforeseen costs or opportunities arise, to meet working capital requirements, fund acquisitions or investments or repay our indebtedness under credit facilities. If we need to obtain new debt or equity financing in the future, the terms and availability of such financing may be impacted by economic and financial market conditions, as well as our financial condition and results of operations at the time we seek additional financing. Although we believe that our financial resources will allow us to manage the anticipated impact of COVID-19 on our operations for the foreseeable future, the challenges posed by COVID-19 on our business are expected to continue to shift rapidly. Consequently, we will continue to assess our liquidity needs and anticipated capital requirements in light of future developments, particularly those relating to COVID-19.

#### *Commitments*

Information about our commitments and contingent liabilities is contained in Note 11 of the Condensed Consolidated Financial Statements.

#### *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 Condensed 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 December 31, 2022 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 condensed consolidated financial statements as of December 31, 2022 and September 30, 2022, at fair value of the related financial instruments, totaling \$2,208.5 million and \$2,469.6 million, respectively. These positions are held to offset the risks related to financial assets owned, and reported in our Condensed 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 December 31, 2022, which might be partially or wholly offset by gains in the value of assets held as of December 31, 2022. The totals of \$2,208.5 million and \$2,469.6 million include a net liability of \$272.4 million and \$313.4 million for derivatives, based on their fair value as of December 31, 2022 and September 30, 2022, 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 guaranties 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 Condensed Consolidated Balance Sheets as of December 31, 2022 and September 30, 2022.

### **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**

See our critical accounting policies discussed in the Management's Discussion and Analysis of the most recent Annual Report filed on Form 10-K. There have been no material changes to these policies.

### **Other Accounting Policies**

Note 1 to the Consolidated Financial Statements included within the most recent Annual Report filed on Form 10-K includes our significant accounting policies. There have been no material changes to these policies.

### **Accounting Development Updates**

#### *Recently Issued Accounting Pronouncements*

None.

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk**

#### *Credit Risk*

See also Note 4 to the condensed 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.

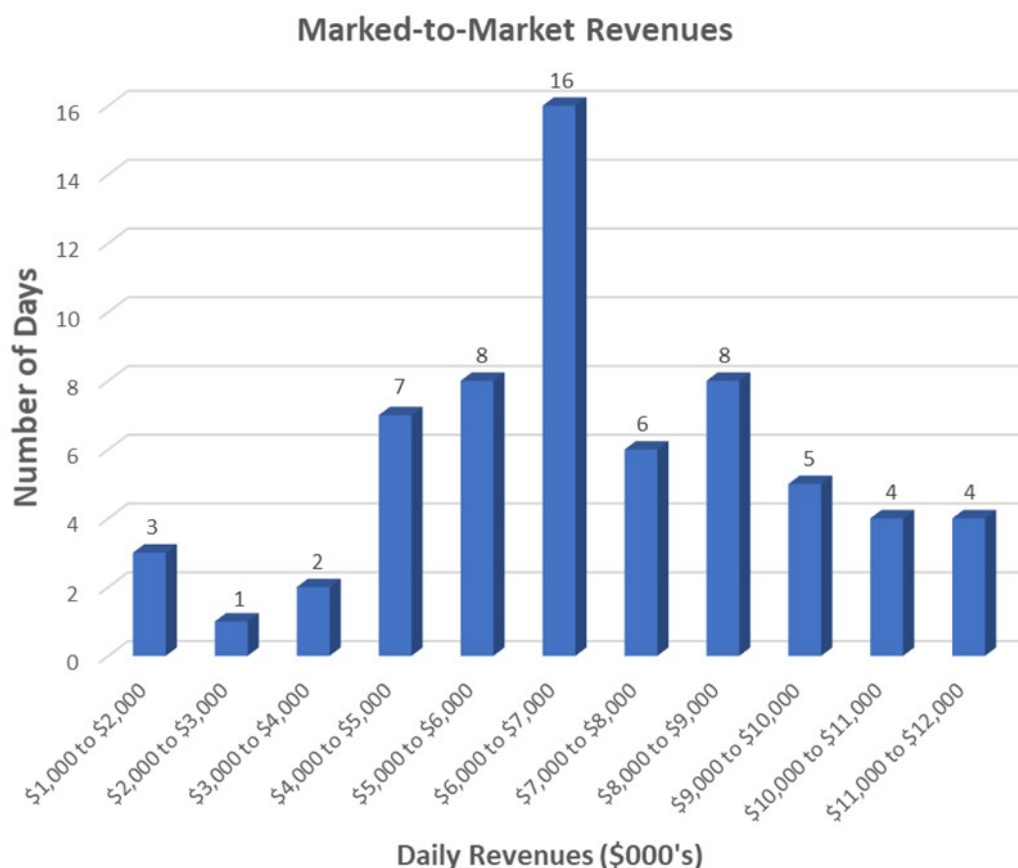
We seek to mitigate exposure to market risk by utilizing a variety of qualitative and quantitative techniques:

- 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 clients' 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, client 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 our risk management techniques. The graph below summarizes volatility of our daily revenue, determined on a marked-to-market basis, during the three months ended December 31, 2022.



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 December 31, 2022, an immediate 25 basis point decrease in short-term interest rates would result in approximately \$7.2 million less in annual net 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 December 31, 2022, \$582.3 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 December 31, 2022, \$347.9 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 4. Controls and Procedures**

In connection with the filing of this Form 10-Q, our management, including the 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 December 31, 2022. Our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective to provide reasonable assurance that their objectives were met as of December 31, 2022.

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. As a result, there can be no assurance that a control system will succeed in preventing all possible instances of error and fraud. Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives, and the conclusions our Chief Executive Officer and Chief Financial Officer are made at the “reasonable assurance” level.

There were no changes in our internal controls over financial reporting during the quarter ended December 31, 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## **PART II**

#### **Item 1. Legal Proceedings**

For information regarding certain legal proceedings to which we are currently a party, see Note 11, “Commitments and Contingencies” in the notes to our Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

#### **Item 1A. Risk Factors**

In addition to the other information set forth in this report, information regarding risks affecting us appears in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended September 30, 2022. These are not the only risks we face. Additional risks and uncertainties not currently known to us or that management currently considers to be non-material may in the future adversely affect our business, financial condition and operating results.

In January 2023, we identified the following additional risk factor:

***Our revenues, operational costs, regulatory compliance and client satisfaction could be adversely affected by the failure of a vendor or other third party to continue providing services to us.***

We rely on vendors and other third-parties to provide us with services that are essential to our ability to provide clients with our products and services. These services range from core infrastructure, such as utilities, communications and web hosting services, to systems that allow us to execute and process transactions entered into by our clients.

If these vendors or other third-parties suffer operations issues, including as a result of cyber attacks, and they are unable to continue to provide these services to us, we may be exposed to a variety of risks, including loss of revenue if our clients cannot trade with us, increased costs if we are required to employ alternative solutions and reputational harm.

In addition, some of our vendors hold sensitive information on our behalf, including personally identifiable information relating to our clients. If this data were to be compromised, either as a result of a cyber attack or otherwise, we could be in breach of

our obligations to our clients, as well as applicable data protections laws, which could materially adversely affect our results of operations and reputation.

Cyber attacks directed at our vendors may also make us more vulnerable to being targeted for cyber attacks ourselves if the bad actors are able to obtain information relating to our company and / or systems.

If one of our vendors experiences a cyberbreach of its own systems or has data that it holds misappropriated, we could be exposed to a number of additional risks, including:

- a. heightened risk that we will not be able to comply with applicable regulatory requirements;
- b. increased risk that external parties will be able to execute fraudulent transactions using our systems;
- c. losses from fraudulent transactions, as well as potential liability for losses suffered by our clients;
- d. increased operational costs to remediate the consequences of the external party's security breach; and
- e. reputational harm arising from the perception that our systems may not be secure.

In some cases, operational issues or security breaches affecting our vendors may require us to take steps to protect the integrity of our own operational systems or to safeguard confidential information that we hold, including restricting the ability of our clients to trade or have access to their accounts. These actions could potentially diminish customer satisfaction and confidence in us, materially adversely affecting our results of operations.

For example, on January 31, 2023, we were notified by ION Group, one of our vendors which provides back office trade processing services relating to certain of our listed derivatives businesses, that it had experienced a cybersecurity incident, which rendered certain of its services inaccessible to us and its other clients. As a result of the incident, we imposed restrictions on clients of our UK subsidiary relating to the trading of listed derivatives. We are continuing to assess the impact of the ION incident.

Furthermore, the widespread and expanding interconnectivity among financial institutions, clearing banks, CCPs, payment processors, financial technology companies, securities exchanges, clearing houses and other financial market infrastructures increases the risk that the disruption of an operational system involving one institution or entity, including due to a cyber attack, may cause industry-wide operational disruptions that could materially affect our ability to conduct business.

## Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Our common stock repurchase program activity for the three months ended December 31, 2022 was as follows:

<u>Period</u>	<u>Total Number of Shares Purchased</u>	<u>Average Price Paid per Share</u>	<u>Total Number of Shares Purchased as Part of Publicly Announced Program</u>	<u>Maximum Number of Shares Remaining to be Purchased Under the Program</u>
October 1, 2022 to October 31, 2022	—	\$ —	—	1,000,000
November 1, 2022 to November 30, 2022	—	—	—	1,000,000
December 1, 2022 to December 31, 2022	—	—	—	1,000,000
Total	—	\$ —	—	—

## Item 6. Exhibits

- 10.1 [Credit Agreement, entered into as of December 12, 2022, by and between StoneX Financial Inc., as borrower, StoneX Group Inc., as a guarantor, BMO Harris Bank N.A., as Administrative Agent, and the lenders party thereto.](#)\*
- 10.2 [Commitment Amount Increase Request, dated December 19, 2022, to the Credit Agreement, entered into as of December 12, 2022, by and between StoneX Financial Inc., as borrower, StoneX Group Inc., as a guarantor, BMO Harris Bank N.A., as Administrative Agent, and the lenders party thereto.](#)\*
- 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.*

## Signatures

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

StoneX Group Inc.

Date: February 7, 2023

/s/ Sean M. O'Connor

Sean M. O'Connor  
Chief Executive Officer

Date: February 7, 2023

/s/ William J. Dunaway

William J. Dunaway  
Chief Financial Officer

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Credit Agreement

Dated as of December 12, 2022

among

StoneX Financial Inc.,

The Guarantors from time to time parties hereto,

the Lenders from time to time parties hereto,

and

BMO Harris Bank N.A., as Administrative Agent

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BMO Capital Markets,  
as Sole-Lead Arranger and Book Runner

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## Credit Agreement

This Credit Agreement is entered into as of December 12, 2022, by and among StoneX Financial Inc., a Florida corporation (the “*Borrower*”), StoneX Group Inc., a Delaware corporation (“*Holdings*”), as a Guarantor, the several financial institutions from time to time party to this Agreement, as Lenders, and BMO Harris Bank N.A., a national banking association, as Administrative Agent as provided herein. All capitalized terms used herein without definition shall have the same meanings herein as such terms are defined in Section 5.1 hereof.

### Preliminary Statement

The Borrower has requested, and the Lenders have agreed to extend, certain credit facilities on the terms and conditions of this Agreement.

Now, Therefore, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

#### Section 1. The Credit Facilities.

*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 Lenders shall not be obligated to make a Loan during any calendar month if such Loan would cause the number of Zero Loan Days during such calendar month to be less than five (5).

*Section 1.2. Interest Rates.* (a) Each Revolving Loan made or maintained by a Lender shall bear interest (computed on the basis of a year of 360 days and the actual days elapsed) on the unpaid principal amount thereof from the date such Loan is advanced, until maturity (whether by acceleration or otherwise) at a rate per annum equal to the sum of the Applicable Margin plus the Base Rate from time to time in effect, payable by the Borrower on each Interest Payment Date and at maturity (whether by acceleration or otherwise).

(b) *Rate Determinations.* The Administrative Agent shall determine each interest rate applicable to the Loans hereunder, and its determination thereof shall be conclusive and binding except in the case of manifest error.

*Section 1.3. Minimum Borrowing Amounts.* Each Borrowing of Revolving Loans shall be in an amount not less than \$5,000,000.

*Section 1.4. Manner of Borrowing Loans.*

(a) *Notice to the Administrative Agent.* The Borrower shall give notice to the Administrative Agent by no later than 2:00 p.m. (Chicago time) on the date the Borrower requests the Lenders to advance a Borrowing of Revolving Loans. The Borrower shall give all such notices requesting the advance of a Borrowing to the Administrative Agent by telephone, telecopy, or other telecommunication device acceptable to the Administrative Agent (which notice shall be irrevocable once given and, if by telephone, shall be promptly confirmed in writing), substantially in the form attached hereto as Exhibit A (Notice of Borrowing), or in such other form acceptable to the Administrative Agent. 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 or a Reserve Loan. The Borrower agrees that the Administrative Agent may rely on any such telephonic, telecopy or other telecommunication notice given by any person the Administrative Agent in good faith believes is an Authorized Representative without the necessity of independent investigation, and in the event any such notice by telephone conflicts with any written confirmation such telephonic notice shall govern if the Administrative Agent has acted in reliance thereon.

(b) *Notice to the Lenders.* The Administrative Agent shall give prompt telephonic, telecopy or other telecommunication notice to each Lender of any notice from the Borrower received pursuant to Section 1.4(a) above.

(c) *Disbursement of Loans.* Not later than 4:00 p.m. (Chicago time) on the date of any requested advance of a new Borrowing, subject to Section 7 hereof, each Lender shall make available its Revolving Loan comprising part of such Borrowing in funds immediately available at the principal office of the Administrative Agent in Chicago, Illinois (or at such other location as the Administrative Agent shall designate). The Administrative Agent shall make the proceeds of each new Borrowing available to the Borrower at the Administrative Agent's principal office in Chicago, Illinois (or at such other location as the Administrative Agent shall designate), by depositing or wire transferring such proceeds to the credit of the Borrower's Designated Disbursement Account or as the Borrower and the Administrative Agent may otherwise agree.

(d) *Administrative Agent Reliance on Lender Funding.* Unless the Administrative Agent shall have been notified by a Lender prior to (or, in the case of a Borrowing of Revolving Loans, by 4:00 p.m. (Chicago time) on) the date on which such Lender is scheduled to make payment to the Administrative Agent of the proceeds of a Revolving Loan (which notice shall be effective upon receipt) that such Lender does not intend to make such payment, the Administrative Agent may assume that such Lender has made such payment when due and the Administrative Agent may in reliance upon such assumption (but shall not be required to) make available to the Borrower the proceeds of the Loan to be made by such Lender and, if any Lender has not in fact made such payment to the Administrative Agent, such Lender shall, on demand, pay to the Administrative Agent the amount made available to the Borrower attributable to such Lender together with interest thereon in respect of each day during the period commencing on the date such amount was made available to the Borrower and ending on (but excluding) the date such Lender pays such amount to the Administrative Agent at a rate per annum equal to: (i) from the date the related advance was made by the Administrative Agent to the date two (2) Business Days after payment by such Lender is due hereunder, the Federal Funds Rate for each such day and (ii) from the date two (2) Business Days after the date such payment is due from such Lender to the date such payment is made by such Lender, the Base Rate in effect for each such day. If such amount is not received from such Lender by the Administrative Agent immediately upon demand, the Borrower will, on demand, repay to the Administrative Agent the proceeds of the Loan attributable to such Lender with interest thereon at a rate per annum equal to the interest rate applicable to the relevant Loan.

*Section 1.5. Swing Loans.* (a) *Generally.* Subject to the terms and conditions hereof, as part of the Credit, the Swing Line Lender may, in its discretion, make loans in U.S. Dollars to the Borrower under the Swing Line (individually a “*Swing Loan*” and collectively the “*Swing Loans*”) which shall not in the aggregate at any time outstanding exceed the Swing Line Sublimit. Swing Loans may be availed of from time to time and borrowings thereunder may be repaid and used again during the period ending on the Termination Date. Each Swing Loan shall be in a minimum amount of \$1,000,000.

(b) *Interest on Swing Loans.* Each Swing Loan shall bear interest until maturity (whether by acceleration or otherwise) at a rate per annum equal to the sum of the Applicable Margin plus the Base Rate from time to time in effect (computed on the basis of a year of 360 days for the actual number of days elapsed). Interest on each Swing Loan shall be due and payable by the Borrower on each Interest Payment Date and at maturity (whether by acceleration or otherwise).

(c) *Requests for Swing Loans.* The Borrower shall give the Administrative Agent prior notice (which may be written or oral) no later than 3:00 p.m. (Chicago time) (or such later time as agreed upon by the Borrower, the Administrative Agent and the Swing Line Lender) on the date upon which the Borrower requests that any Swing Loan be made, of the amount and date of such Swing Loan. The Administrative Agent shall promptly advise the Swing Line Lender of any such notice received from the Borrower. Subject to the terms and conditions hereof, the proceeds of each Swing Loan extended to the Borrower shall be deposited or otherwise wire transferred to the Borrower’s Designated Disbursement Account or as the Borrower, the Administrative Agent, and the Swing Line Lender may otherwise agree. Anything contained in

the foregoing to the contrary notwithstanding, the undertaking of the Swing Line Lender to make Swing Loans shall be subject to all of the terms and conditions of this Agreement (provided that the Swing Line Lender shall be entitled to assume that the conditions precedent to an advance of any Swing Loan have been satisfied unless notified to the contrary by the Administrative Agent or any Lenders).

(d) *Refunding Loans.* In its sole and absolute discretion, the Swing Line Lender may at any time, on behalf of the Borrower (which hereby irrevocably authorizes the Swing Line Lender to act on its behalf for such purpose) and with notice to the Borrower and the Administrative Agent, request each Lender to make a Revolving Loan in an amount equal to such Lender's Percentage of the amount of the Swing Loans outstanding on the date such notice is given. Unless an Event of Default described in Section 9.1(j) or 9.1(k) exists with respect to the Borrower, regardless of the existence of any other Event of Default, each Lender shall make the proceeds of its requested Revolving Loan available to the Administrative Agent for the account of the Swing Line Lender, in immediately available funds, at the Administrative Agent's office in Chicago, Illinois (or such other location designated by the Administrative Agent), before 12:00 Noon (Chicago time) on the Business Day following the day such notice is given. The Administrative Agent shall promptly remit the proceeds of such Borrowing to the Swing Line Lender to repay the outstanding Swing Loans.

(e) *Participations.* If any Lender refuses or otherwise fails to make a Revolving Loan when requested by the Swing Line Lender pursuant to Section 1.5(d) above (because an Event of Default described in Section 9.1(j) or 9.1(k) exists with respect to the Borrower or otherwise), such Lender will, by the time and in the manner such Revolving Loan was to have been funded to the Swing Line Lender, purchase from the Swing Line Lender an undivided participating interest in the outstanding Swing Loans in an amount equal to its Percentage of the aggregate principal amount of Swing Loans that were to have been repaid with such Revolving Loans. Each Lender that so purchases a participation in a Swing Loan shall thereafter be entitled to receive its Percentage of each payment of principal received on the Swing Loan and of interest received thereon accruing from the date such Lender funded to the Swing Line Lender its participation in such Loan. The several obligations of the Lenders under this Section shall be absolute, irrevocable, and unconditional under any and all circumstances whatsoever and shall not be subject to any set-off, counterclaim or defense to payment which any Lender may have or have had against the Borrower, any other Lender, or any other Person whatsoever. Without limiting the generality of the foregoing, such obligations shall not be affected by any Default or Event of Default or by any reduction or termination of the Commitments of any Lender, and each payment made by a Lender under this Section shall be made without any offset, abatement, withholding, or reduction whatsoever.

*Section 1.6. Maturity of Loans. Revolving Loans and Swing Loans.* Each Revolving Loan and Swing Loan, both for principal and interest not sooner paid, shall mature and be due and payable by the Borrower on the Termination Date.

*Section 1.7. Prepayments.* (a) *Optional.* The Borrower may prepay in whole or in part (but, if in part, then: (i) in an amount not less than \$1,000,000, and (ii) in an amount such that the minimum amount required for a Borrowing pursuant to Section 1.3 and 1.5 hereof

remains outstanding) with notice delivered by the Borrower to the Administrative Agent no later than 2:00 p.m. (Chicago time) on the date of prepayment (or, in any case, such shorter period of time then agreed to by the Administrative Agent), such prepayment to be made by the payment of the principal amount to be prepaid.

(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 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;

(iii) without notice or demand, prepay any Reserve Loan on the Business Day immediately following 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;

(iv) 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; and

(v) Without limiting the Borrower's obligation to repay the Loans pursuant to any other provision of this Section 1.7(b), on any Business Day in a calendar month (other than the last Business Day in a calendar month), if (A) the sum of (x) the number of Business Days remaining in such calendar month (not including such Business Day) plus (y) the number of Zero Loan Days occurring in such calendar month on or prior to such Business Day is less than (B) five (5), then 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.

(c) Any amount of Revolving Loans and Swing Loans paid or prepaid before the Termination Date may, subject to the terms and conditions of this Agreement, be borrowed, repaid and borrowed again.

*Section 1.8. Default Rate.* Notwithstanding anything to the contrary contained herein, while any Event of Default exists or after acceleration, the Borrower shall pay interest (after as well as before entry of judgment thereon to the extent permitted by law) on the principal amount



of all Loans at a rate per annum equal to the sum of 2.0% *plus* the Applicable Margin *plus* the Base Rate from time to time in effect; *provided, however*, that in the absence of acceleration, any adjustments pursuant to this Section shall be made at the election of the Administrative Agent, acting at the request or with the consent of the Required Lenders, with written notice to the Borrower. While any Event of Default exists or after acceleration, interest shall be paid on demand of the Administrative Agent at the request or with the consent of the Required Lenders.

*Section 1.9. Evidence of Indebtedness.* (a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrower to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b) The Administrative Agent shall also maintain accounts in which it will record (i) the amount of each Loan made hereunder, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrower to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrower and each Lender's share thereof.

(c) The entries maintained in the accounts maintained pursuant to paragraphs (a) and (b) above shall be *prima facie* evidence of the existence and amounts of the Obligations therein recorded; *provided, however*, that the failure of the Administrative Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to repay the Obligations in accordance with their terms.

(d) Any Lender may request that its Loans be evidenced by a promissory note or notes in the forms of Exhibit B-1 (in the case of its Revolving Loans and referred to herein as a "*Revolving Note*"), or B-2 (in the case of its Swing Loans and referred to herein as a "*Swing Note*"), as applicable (the Revolving Notes, and Swing Note being hereinafter referred to collectively as the "*Notes*" and individually as a "*Note*"). In such event, the Borrower shall prepare, execute and deliver to such Lender a Note payable to such Lender or its registered assigns in the amount of the relevant Commitment, or Swing Line Sublimit, as applicable. Thereafter, the Loans evidenced by such Note or Notes and interest thereon shall at all times (including after any assignment pursuant to Section 12.12) be represented by one or more Notes payable to the order of the payee named therein or any assignee pursuant to Section 12.12, except to the extent that any such Lender or assignee subsequently returns any such Note for cancellation and requests that such Loans once again be evidenced as described in subsections (a) and (b) above.

*Section 1.10. Commitment Terminations.* The Borrower shall have the right at any time and from time to time, upon five (5) Business Days prior written notice to the Administrative Agent (or such shorter period of time agreed to by the Administrative Agent), to terminate the Commitments without premium or penalty and in whole or in part, any partial termination to be (i) in an amount not less than \$10,000,000 or such greater amount which is an integral multiple of \$1,000,000, and (ii) allocated ratably among the Lenders in proportion to their respective Percentages, provided that the Commitments may not be reduced to an amount less than the sum of the aggregate principal amount of Revolving Loans and Swing Loans then outstanding. Any

termination of the Commitments below the Swing Line Sublimit then in effect shall reduce the Swing Line Sublimit by a like amount. The Administrative Agent shall give prompt notice to each Lender of any such termination of the Commitments. Any termination of the Commitments pursuant to this Section 1.10 may not be reinstated.

*Section 1.11. Substitution of Lenders.* In the event any Lender is then a Defaulting Lender or a Non-Consenting Lender (any such Lender being hereinafter referred to as an “Affected Lender”), the Borrower may, in addition to any other rights the Borrower may have hereunder or under applicable law, require, at its expense, any such Affected Lender to assign, at par, without recourse, all of its interest, rights, and obligations hereunder (including all of its Commitments and the Loans and other amounts at any time owing to it hereunder and the other Loan Documents) to an Eligible Assignee specified by the Borrower, *provided* that (i) such assignment shall not conflict with or violate any laws, (ii) the Affected Lender shall have received payment of an amount equal to the outstanding principal of its Loans, accrued interest thereon, accrued fees and all other amounts payable to it hereunder and under the other Loan Documents from the assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts), (iii) the assignment is entered into in accordance with, and subject to the consents required by, Section 12.12 (provided any assignment fees and reimbursable expenses due thereunder shall be paid by the Borrower), and (iv) in the case of any assignment resulting from a Lender becoming a Non-Consenting Lender, the applicable assignee shall have consented to the applicable amendment, waiver or consent.

*Section 1.12. Increase in Commitments.* The Borrower may from time to time in consultation with the Administrative Agent, on any Business Day prior to the Termination Date so long as no Event of Default exists, increase the aggregate amount of the Commitments by delivering a Commitment Amount Increase Request at least 10 Business Days prior to the desired effective date of such increase (the “Commitment Amount Increase”) identifying the additional Commitments for existing Lender(s) agreeing to increase its/their Commitment(s) (or identifying one or more additional Lender(s) and the amount of its/their Commitment(s)); *provided, however*, that (i) the aggregate of all Commitment Amount Increases shall not exceed \$145,000,000, (ii) the aggregate amount of the Commitments shall not at any time exceed \$300,000,000, (iii) any increase of the aggregate amount of the Commitments shall be in an amount not less than \$10,000,000 and (iv) if the Borrower invites additional Lenders to join this Agreement, such additional Lenders shall enter into such joinder agreements to give effect thereto as the Administrative Agent may reasonably request. The effective date of any Commitment Amount Increase shall be agreed upon by the Borrower and the Administrative Agent. Upon the effectiveness thereof, the new Lender(s) (or, if applicable, existing Lender(s)) shall advance Revolving Loans, or the existing Lenders shall make such assignments (which assignments shall not be subject to the requirements set forth in Section 12.12) of the outstanding Revolving Loans to the Lenders providing the Commitment Amount Increase so that, after giving effect to such assignments, each Lender (including the Lenders providing the Commitment Amount Increase) will hold Revolving Loans equal to its Percentage of all outstanding Revolving Loans. The Borrower agrees to pay any reasonable expenses of the Administrative Agent relating to any Commitment Amount Increase. Notwithstanding anything herein to the contrary, no Lender shall have any obligation to increase its Commitment and no Lender’s Commitment shall be increased without its consent thereto, and each Lender may at its

option, unconditionally and without cause, decline to increase its Commitment. The Borrower shall have no obligation to offer any Lender the opportunity to participate in any Commitment Amount Increase.

*Section 1.13. Defaulting Lenders . (a) Defaulting Lender Adjustments.* Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable Law:

(i) *Waivers and Amendments.* Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and Section 12.13.

(ii) *Defaulting Lender Waterfall.* Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 9 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Section 12.7 hereto shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, as the Borrower may request (so long as no Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *third*, if so determined by the Administrative Agent and the Borrower, to be held in a deposit account and released pro rata in order to satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement; *fourth*, to the payment of any amounts owing to the Lenders as a result of any judgment of a court of competent jurisdiction obtained by any Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *fifth*, so long as no Default exists, to the payment of any amounts owing to the Borrower as a result of any judgment of a court of competent jurisdiction obtained by the Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *sixth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if (x) such payment is a payment of the principal amount of any Loans in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made at a time when the conditions set forth in Section 7.1 were satisfied or waived, such payment shall be applied solely to pay the Loans of all Non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of owed to, such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with their Percentages of the Commitment. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii) *Certain Fees.* No Defaulting Lender shall be entitled to receive any commitment fee for any period during which that Lender is a Defaulting Lender (and the

Borrower shall not be required to pay any such fee that otherwise would have been required to have been paid to that Defaulting Lender).

(b) *Defaulting Lender Cure.* If the Borrower and the Administrative Agent agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein, that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Loans to be held pro rata by the Lenders in accordance with their respective Percentages of the Commitments, whereupon such Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrower while that Lender was a Defaulting Lender; and *provided, further*, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c) *Reallocation of Participations to Reduce Fronting Exposure.* All or any part of such Defaulting Lender's participation in Swing Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Percentages (calculated without regard to such Defaulting Lender's Commitments) but only to the extent that such reallocation does not cause the aggregate Revolving Loans and interests in Swing Loans of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Commitment. Subject to Section 12.27, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(d) *Repayment of Swing Line Loans.* If the reallocation described in clause (c) above cannot, or can only partially, be effected, the Borrower shall, without prejudice to any right or remedy available to it hereunder or under law, prepay Swing Line Loans on the next Business Day following notice by the Administrative Agent in an amount equal to the Swing Line Lenders' Fronting Exposure.

(e) *New Swingline Loans.* So long as any Lender is a Defaulting Lender, the Swing Line Lender shall not be required to fund any Swing Line Loans unless it is satisfied that it will have no Fronting Exposure after giving effect to such Swing Line Loan.

*Section 1.14. Effect of Benchmark Transition Event.* Notwithstanding anything to the contrary herein or in any other Loan Document:

(a) *Benchmark Replacement.* Notwithstanding anything to the contrary herein or in any other Loan Document, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred prior any setting of the then-current Benchmark, then (x) if a Benchmark Replacement is determined in accordance with clause (1) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark

Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of such Benchmark setting and subsequent Benchmark settings without any amendment to, or further action or consent of any other party to, this Agreement or any other Loan Document and (y) if a Benchmark Replacement is determined in accordance with clause (2) of the definition of "Benchmark Replacement" for such Benchmark Replacement Date, such Benchmark Replacement will replace such Benchmark for all purposes hereunder and under any Loan Document in respect of any Benchmark setting at or after 5:00 p.m. (New York City time) 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.

(b) *Benchmark Replacement Conforming Changes.* In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(c) *Notice; Standards for Decisions and Determinations.* The Administrative Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will promptly notify the Borrower of the removal or reinstatement of the one month tenor. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 1.14, 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 or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 1.14.

(d) *Benchmark Unavailability Period.* During a Benchmark Unavailability Period, the component of Base Rate based upon the then-current Benchmark or such tenor for such Benchmark, as applicable, will not be used in any determination of Base Rate.

## Section 2. Fees.

### *Section 2.1. Fees .*

(a) *Commitment Fee.* The Borrower shall pay to the Administrative Agent for the ratable account of the Lenders in accordance with their Percentages a commitment fee at the rate per annum equal to the Applicable Margin (computed on the basis of a year of 360 days and the actual number of days elapsed) on the average daily Unused Commitments. Such commitment fee shall be payable quarterly in arrears on the last day of each March, June, September, and

December in each year (commencing on the first such date occurring after the date hereof) and on the Termination Date, unless the Commitments are terminated in whole on an earlier date, in which event the commitment fee for the period to the date of such termination in whole shall be paid on the date of such termination.

(b) *Administrative Agent Fees.* The Borrower shall pay to the Administrative Agent, for its own use and benefit, the fees agreed to between the Administrative Agent and the Borrower in a fee letter dated August 31, 2022, or as otherwise agreed to in writing between them.

### Section 3. Place and Application of Payments.

*Section 3.1. Place and Application of Payments.* (a) All payments of principal of and interest on the Loans and of all other Obligations payable by the Borrower under this Agreement and the other Loan Documents, shall be made by the Borrower to the Administrative Agent by no later than 2:00 p.m. (Chicago time) on the due date thereof at the office of the Administrative Agent in Chicago, Illinois (or such other location as the Administrative Agent may designate to the Borrower), for the benefit of the Lender(s) entitled thereto. Any payments received after such time shall be deemed to have been received by the Administrative Agent on the next Business Day. All such payments shall be made in U.S. Dollars, in immediately available funds at the place of payment, in each case without set-off or counterclaim. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest on Loans ratably to the Lenders and like funds relating to the payment of any other amount payable to any Lender to such Lender, in each case to be applied in accordance with the terms of this Agreement. If the Administrative Agent causes amounts to be distributed to the Lenders in reliance upon the assumption that the Borrower will make a scheduled payment and such scheduled payment is not so made, each Lender shall, on demand, repay to the Administrative Agent the amount distributed to such Lender together with interest thereon in respect of each day during the period commencing on the date such amount was distributed to such Lender and ending on (but excluding) the date such Lender repays such amount to the Administrative Agent, at a rate per annum equal to: (i) from the date the related advance was made by the Administrative Agent to the date two (2) Business Days after payment by such Lender is due hereunder, the Federal Funds Rate for each such day and (ii) from the date two (2) Business Days after the date such payment is due from such Lender to the date such payment is made by such Lender, the Base Rate in effect for each such day.

(b) Anything contained herein to the contrary notwithstanding (including, without limitation, Section 1.7(b) hereof), all payments and collections received in respect of the Obligations by the Administrative Agent or any of the Lenders after acceleration or the final maturity of the Obligations or termination of the Commitments as a result of an Event of Default shall be remitted to the Administrative Agent and distributed as follows:

(i) first, to the payment of any outstanding costs and expenses incurred by the Administrative Agent in protecting, preserving or enforcing rights under the Loan Documents, and in any event including all costs and expenses of a character which the Borrower has agreed to pay the Administrative Agent under Section 12.15 hereof (such funds to be retained by the Administrative Agent for its own account unless it has

previously been reimbursed for such costs and expenses by the Lenders, in which event such amounts shall be remitted to the Lenders to reimburse them for payments theretofore made to the Administrative Agent);

(ii) second, to the payment of any outstanding interest and fees due under the Loan Documents to be allocated pro rata in accordance with the aggregate unpaid amounts owing to each holder thereof;

(iii) third, to the payment of principal on the Loans, to be allocated pro rata in accordance with the aggregate unpaid amounts owing to each holder thereof;

(iv) fourth, to the payment of all other unpaid Obligations and all other indebtedness, obligations, and liabilities of Holdings, the Borrower and the Subsidiaries of the Borrower evidenced by the Loan Documents to be allocated pro rata in accordance with the aggregate unpaid amounts owing to each holder thereof; and

(v) finally, the balance, if any, after all Obligations have been indefeasibly paid in full, to the Borrower or as otherwise required by applicable law.

(c) Unless Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to Administrative Agent for the account of the Lenders or the Swing Line Lender hereunder that the Borrower will not make such payment, the Administrative Agent may assume that the Borrower has made such payment on such date in accordance herewith and may (but shall not be required to) in reliance upon such assumption, distribute to the applicable Lenders or the Swing Line Lender, as the case may be, the amount due. With respect to any payment that Administrative Agent makes to any Lender or Swing Line Lender as to which Administrative Agent determines (in its sole and absolute discretion) that any of the following applies (such payment referred to as the "*Rescindable Amount*"): (1) the Borrower has not in fact made the corresponding payment to Administrative Agent; (2) the Administrative Agent has made a payment in excess of the amount(s) received by it from the Borrower either individually or in the aggregate (whether or not then owed); or (3) the Administrative Agent has for any reason otherwise erroneously made such payment; then each of the Lenders severally agrees to repay to the Administrative Agent forthwith on demand the Rescindable Amount so distributed to such Lender, in immediately available funds with interest thereon, for each day from and including the date such amount is distributed to it to but excluding the date of payment to the Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

*Section 3.2. Account Debit.* The Borrower hereby irrevocably authorizes the Administrative Agent to charge any of the Borrower's deposit accounts maintained with the Administrative Agent for the amounts from time to time necessary to pay any then due Obligations; *provided* that the Borrower acknowledges and agrees that the Administrative Agent shall not be under an obligation to do so and the Administrative Agent shall not incur any liability to the Borrower or any other Person for the Administrative Agent's failure to do so.

#### Section 4. Guaranties.

*Section 4.1. Guaranties.* The payment and performance of the Obligations shall at all times be guaranteed by Holdings and each direct and indirect Domestic Subsidiary of the Borrower (other than any Domestic Subsidiary that is an Immaterial Subsidiary) pursuant to Section 11 hereof or pursuant to one or more guaranty agreements in form and substance acceptable to the Administrative Agent, as the same may be amended, modified or supplemented from time to time (individually a “*Guaranty*” and collectively the “*Guaranties*” and each Holdings and such Subsidiary executing and delivering this Agreement as a Guarantor (including any Subsidiary hereafter executing and delivering an Additional Guarantor Supplement in the form called for by Section 11 hereof) or a separate Guaranty being referred to herein as a “*Guarantor*” and collectively the “*Guarantors*”).

*Section 4.2. Further Assurances.* In the event the Borrower or any Subsidiary of the Borrower forms or acquires any other Domestic Subsidiary after the date hereof, except as otherwise provided in Section 4.1 above, the Borrower shall promptly upon such formation or acquisition cause such newly formed or acquired Domestic Subsidiary to execute a Guaranty as the Administrative Agent may then require, and the Borrower shall also deliver to the Administrative Agent, or cause such Domestic Subsidiary to deliver to the Administrative Agent, at the Borrower’s cost and expense, such other instruments, documents, certificates, and opinions reasonably required by the Administrative Agent in connection therewith.

#### Section 5. Definitions; Interpretation.

*Section 5.1. Definitions.* The following terms when used herein shall have the following meanings:

*Adequate Assurance Deposit*” means an NSCC Deposit Requirement, in excess of ordinary course NSCC Deposit Requirements, pursuant to NSCC Rule 15, section 2(b).

*“Administrative Agent”* means BMO Harris Bank N.A., in its capacity as Administrative Agent hereunder, and any successor in such capacity pursuant to Section 10.7 hereof.

*“Administrative Questionnaire”* means an Administrative Questionnaire in a form supplied by the Administrative Agent.

*“Affected Financial Institution”* means (a) any EEA Financial Institution or (b) any UK Financial Institution.

*“Affiliate”* means any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, another Person. A Person shall be deemed to control another Person for purposes of this definition if such Person possesses, directly or indirectly, the power to direct, or cause the direction of, the management and policies of the other Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.



“*Agreement*” means this Credit Agreement, as the same may be amended, modified, restated or supplemented from time to time pursuant to the terms hereof.

“*Anti-Corruption Laws*” means all Laws of any jurisdiction applicable to Holdings, the Borrower or any of their Subsidiaries from time to time concerning or relating to bribery or corruption.

“*Anti-Money Laundering Laws*” means any and all Laws applicable to Holdings, the Borrower or their Subsidiaries related to terrorism financing or money laundering, including any applicable provision of the Patriot Act.

“*Applicable Margin*” means (i) with respect to Loans, 2.00% per annum and (ii) with respect to commitment fees set forth in Section 2.1(a) hereof, 0.50% per annum.

“*Approved Fund*” means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

“*Assignment and Acceptance*” means an assignment and acceptance entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 12.12 hereof), and accepted by the Administrative Agent, in substantially the form of Exhibit E or any other form approved by the Administrative Agent.

“*Authorized Representative*” means those persons shown on the list of officers provided by the Borrower pursuant to Section 7.2 hereof or on any update of any such list provided by the Borrower to the Administrative Agent, or any further or different officers of the Borrower so named by any Authorized Representative of the Borrower in a written notice to the Administrative Agent.

“*Bail-In Action*” means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

“*Bail-In Legislation*” means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation, rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

“*Base Rate*” means, for any day, the rate per annum equal to the greatest of: (a) the rate of interest announced or otherwise established by the Administrative Agent from time to time as its prime commercial rate as in effect on such day, with any change in the Base Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change

in said prime commercial rate (it being acknowledged and agreed that such rate may not be the Administrative Agent's best or lowest rate), (b) the sum of (i) the Federal Funds Rate in effect at such time, and (c) the sum of (i) Term SOFR for a one-month tenor in effect on such day plus (ii) 0.11448%. Any change in the Base Rate due to a change in the prime rate, the quoted federal funds rates or Term SOFR, as applicable, shall be effective from and including the effective date of the change in such rate. If the Base Rate is being used as an alternative rate of interest pursuant to Section 1.14, then the Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above, *provided* that if Base Rate as determined above shall ever be less than the Floor, then Base Rate shall be deemed to be the Floor.

“*Benchmark*” means, initially, the Term SOFR Reference Rate; provided that if a Benchmark Transition Event has occurred with respect to the Term SOFR Reference Rate or the then-current Benchmark, then “*Benchmark*” means the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 1.14.

“*Benchmark Replacement*” means, either of the following to the extent selected by Administrative Agent in its sole discretion,

(a) Daily Simple SOFR plus 0.11448% (11.448 basis points); or

(b) the sum of: (i) the alternate benchmark rate that has been selected by the Administrative Agent and the Borrower giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement to the then-current Benchmark for Dollar-denominated syndicated credit facilities and (ii) the related Benchmark Replacement Adjustment.

If the Benchmark Replacement as determined pursuant to clause (a) or (b) above would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

“*Benchmark Replacement Adjustment*” means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Borrower giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for Dollar-denominated syndicated credit facilities.

“*Benchmark Replacement Date*” means the earliest to occur of the following events with respect to the then-current Benchmark:

(a) in the case of clause (a) or (b) of the definition of “Benchmark Transition Event”, the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in the calculation thereof) permanently or indefinitely ceases to provide such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of “Benchmark Transition Event”, the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative; *provided*, that such non-representativeness or non-compliance will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any available tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the “Benchmark Replacement Date” will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable event or events set forth therein with respect to such Benchmark (or the published component used in the calculation thereof).

“*Benchmark Transition Event*” means the occurrence of one or more of the following events with respect to the then-current Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide such Benchmark (or such component thereof); or

(c) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) announcing that such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative.

For the avoidance of doubt, a “Benchmark Transition Event” will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to such Benchmark (or the published component used in the calculation thereof).

“*Benchmark Unavailability Period*” means the period (if any) (a) beginning at the time that a Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 1.14 and (b) ending at the time that a Benchmark Replacement has replaced the then-current Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 1.14.

“*Beneficial Ownership Certification*” means a certification regarding beneficial ownership of the Borrower as required by 31 C.F.R. § 1010.230 (as amended, modified or supplemented from time to time), in form and substance satisfactory to the Administrative Agent.

“*Benefit Plan*” means any of (a) an “employee benefit plan” (as defined in ERISA) that is subject to Title I of ERISA, (b) a “plan” as defined in and subject to Section 4975 of the Code or (c) any Person 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”.

“*Borrower*” is defined in the introductory paragraph of this Agreement.

“*Borrowing*” means the total of Loans advanced under the Commitments. Borrowings of Loans are made and maintained ratably from each of the Lenders under a Credit according to their Percentages of such Credit. A Borrowing is “*advanced*” on the day Lenders advance funds comprising such Borrowing to the Borrower. Borrowings of Swing Loans are made by the Swing Line Lender in accordance with the procedures set forth in Section 1.5 hereof.

“*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.

“*Business Day*” means any day (other than a Saturday or Sunday) on which banks are not authorized or required to close in Chicago, Illinois or, with respect to calculating Term SOFR, any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

“*Capital Lease*” means any lease of Property which in accordance with GAAP is required to be capitalized on the balance sheet of the lessee.

“*Capitalized Lease Obligation*” means, for any Person, the amount of the liability shown on the balance sheet of such Person in respect of a Capital Lease determined in accordance with GAAP.

“*Change in Law*” means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Law, (b) any change in any Law or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, rule, guideline, interpretation or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a “Change in Law”, regardless of the date enacted, adopted or issued.

“*Change of Control*” means any of (a) the acquisition by any “*person*” or “*group*” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) at any time of beneficial ownership of 30% or more of the outstanding capital stock or other equity interests of the Holdings on a fully-diluted basis, (b) Holdings ceases to own, legally and beneficially, 100% of the Voting Stock of the Borrower, (c) any “Change of Control” (or words of like import), as defined in any agreement or indenture relating to any issue of Indebtedness for Borrowed Money in excess of \$50,000,000 of Holdings, shall occur, or (d) any “Change of Control” (or words of like import), as defined in any agreement or indenture relating to any issue of Indebtedness for Borrowed Money in excess of \$10,000,000 for the Borrower or any Subsidiary, shall occur.

“*Clearing Houses*” means an exchange clearing house located in the United States.

“*Closing Date*” means the date of this Agreement or such later Business Day upon which each condition described in Section 7.2 shall be satisfied or waived in a manner acceptable to the Administrative Agent in its discretion.

“*Code*” means the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

“*Commitment*” means, as to any Lender, the obligation of such Lender to make Revolving Loans and to participate in Swing Loans hereunder in an aggregate principal amount at any one time outstanding not to exceed the amount set forth opposite such Lender’s name on Schedule 1 attached hereto and made a part hereof, as the same may be reduced or modified at any time or from time to time pursuant to the terms hereof. The Borrower and the Lenders acknowledge and agree that the Commitments of the Lenders aggregate \$155,000,000 on the date hereof.

“*Commitment Amount Increase*” is defined in Section 1.12 hereof.

“*Commitment Amount Increase Request*” means a Commitment Amount Increase Request in the form of Exhibit F hereto.

“*Competitor*” means any Person (including any Subsidiary of any bank or other entity) whose business consists substantially of the provision of securities broker-dealer or future commission merchant services, but in any event not to include bank regulated entities, insurance companies, or the bank or insurance affiliate of such providers of such services.

“*Conforming Changes*” means with respect to either the use of administration of Term SOFR or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Overnight Base Rate,” the definition of “Business Day,” the timing and frequency of determining rates and making payments of interest, the timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, and other technical, administrative or operational matters) that the Administrative Agent decides may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and 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 any such rate 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).

“*Connection Income Taxes*” means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profits Taxes.

“*Controlled Group*” means all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Borrower, are treated as a single employer under Section 414 of the Code.

“*Credit*” means the credit facility for making Revolving Loans and Swing Loans described in Sections 1.1 and 1.5 hereof.

“*Credit Event*” means the advancing of any Loan.

“*Default*” means any event or condition the occurrence of which would, with the passage of time or the giving of notice, or both, constitute an Event of Default.

“*Daily Simple SOFR*” means, for any day, SOFR, with the conventions for this rate (which will include a lookback) being established by the Administrative Agent in accordance with the conventions for this rate selected or recommended by the Relevant Governmental Body for determining “Daily Simple SOFR” for syndicated business loans; *provided*, that if the Administrative Agent decides that any such convention is not administratively feasible for the Administrative Agent, then the Administrative Agent may establish another convention in its reasonable discretion.

“*Defaulting Lender*” means, subject to Section 1.13(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Borrower in writing that such failure is the result of such Lender’s good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii) pay to the Administrative Agent, the Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Swing Loans) within two Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent or Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender’s obligation to fund a Loan hereunder and states that such position is based on such Lender’s good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three Business Days after written request by the Administrative Agent or the Borrower, to confirm in writing to the Administrative Agent and the Borrower that it will comply with its prospective funding obligations hereunder (*provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Borrower), or (d) has, or has a direct or indirect parent company that has, (i) become the subject of a proceeding under any Debtor Relief Law, (ii) had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity or (iii) become the subject of a Bail-in Action; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under any one or more of clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 1.13(b)) upon

delivery of written notice of such determination to the Borrower, the Swing Line Lender and each Lender.

“*Disqualified Lenders*” means (a) any Person that has been specified to the Administrative Agent by the Borrower in writing before the Closing Date and (b) any other Person that is a Competitor of the Borrower (other than (i) any bank regulated entity, (ii) any insurance company and (iii) any bona fide debt fund that is managed for the benefit of the clients of such Competitor or any of its Affiliates, except to the extent otherwise disqualified pursuant to clause (a)), which Person has been designated by the Borrower as a “Disqualified Institution” by written notice to the Administrative Agent and the Lenders not less than five (5) Business Days prior to such date; *provided* that “Disqualified Institutions” shall exclude any Person that the Borrower has designated as no longer being a “Disqualified Institution” by written notice delivered to the Administrative Agent from time to time.

“*Designated Disbursement Account*” means the account of the Borrower maintained with the Administrative Agent or its Affiliate and designated in writing to the Administrative Agent as the Borrower’s Designated Disbursement Account (or such other account as the Borrower and the Administrative Agent may otherwise agree).

“*Designated Jurisdiction*” means, at any time, any country, region or territory which is itself the subject or target of any Sanctions.

“*Dividing Person*” has the meaning assigned to it in the definition of “Division.”

“*Division*” means the division of the assets, liabilities and/or obligations of a Person (the “*Dividing Person*”) among two or more Persons (whether pursuant to a “plan of division” or similar arrangement), which may or may not include the Dividing Person and pursuant to which the Dividing Person may or may not survive.

“*Division Successor*” means any Person that, upon the consummation of a Division of a Dividing Person, holds all or any portion of the assets, liabilities and/or obligations previously held by such Dividing Person immediately prior to the consummation of such Division. A Dividing Person which retains any of its assets, liabilities and/or obligations after a Division shall be deemed a Division Successor upon the occurrence of such Division.

“*Domestic Subsidiary*” means a Subsidiary that is not a Foreign Subsidiary.

“*DTC*” means The Depository Trust Company and its successors and assigns.

“*EEA Financial Institution*” means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.



“*EEA Member Country*” means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

“*EEA Resolution Authority*” means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any credit institution or investment firm established in any EEA Member Country.

“*Eligible Assignee*” means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund, and (d) any other Person (other than a natural person) approved by (i) the Administrative Agent and the Swing Line Lender, and (ii) unless an Event of Default has occurred and is continuing, the Borrower (each such approval not to be unreasonably withheld or delayed); *provided* that notwithstanding the foregoing, “*Eligible Assignee*” shall not include the Borrower or any Guarantor or any of the Borrower’s or such Guarantor’s Affiliates or Subsidiaries (including Subsidiaries).

“*Environmental Law*” means any current or future Legal Requirement pertaining to (a) the protection of health, safety and the indoor or outdoor environment, (b) the conservation, management or use of natural resources and wildlife, (c) the protection or use of surface water or groundwater, (d) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation or handling of, or exposure to, any hazardous material or (e) pollution (including any Release to air, land, surface water or groundwater), and any amendment, rule, regulation, order or directive issued thereunder.

“*ERISA*” means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute thereto.

“*EU Bail-In Legislation Schedule*” means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

“*Event of Default*” means any event or condition identified as such in Section 9.1 hereof.

“*Excluded Taxes*” means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Commitment pursuant to a law in effect on the date on which (i) such Lender acquires such interest in the Loan or Commitment or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 12.1, amounts with respect to such Taxes were payable either to such Lender’s assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such

Recipient's failure to comply with Section 12.1(g) and (d) any U.S. federal withholding Taxes imposed under FATCA.

"*FATCA*" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, any agreements entered into pursuant to Section 1471(b)(1) of the Code and any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement, treaty or convention among Governmental Authorities and implementing such Sections of the Code.

"*Federal Funds Rate*" means, for any day, the sum of (i) the rate determined by Administrative Agent to be the average (rounded upward, if necessary, to the next higher 1/100 of 1%) of the rates per annum quoted to Administrative Agent at approximately 10:00 a.m. (or as soon thereafter as is practicable) on such day (or, if such day is not a Business Day, on the immediately preceding Business Day) by two or more Federal funds brokers selected by Administrative Agent for sale to Administrative Agent at face value of Federal funds in the secondary market in an amount equal or comparable to the principal amount for which such rate is being determined, plus (ii) 1/2 of 1%; *provided*, that in no event shall the Federal Funds Rate be less than the Floor.

"*Floor*" means 0.0%.

"*Foreign Lender*" means any Lender that is not a U.S. Person.

"*Foreign Subsidiary*" means each Subsidiary which is organized under the laws of a jurisdiction other than the United States of America or any state thereof or the District of Columbia.

"*Fronting Exposure*" means, at any time there is a Defaulting Lender, such Defaulting Lender's Revolver Percentage of outstanding Swing Line Loans made by the Swing Line Lender other than Swing Line Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders.

"*Fund*" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"*GAAP*" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination.

“*Governmental Authority*” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“*Guarantor*” and “*Guarantors*” each is defined in Section 4.1 hereof.

“*Guaranty*” and “*Guaranties*” each is defined in Section 4.1 hereof.

“*Holdings*” is defined in the introductory paragraph.

“*Holdings’ Credit Facilities*” means one or more issuances of senior notes and/or senior secured credit facilities made available to Holdings and guaranteed by certain Subsidiaries of Holdings (whether by a guaranty delivered by the Subsidiaries and/or through a pledge of the Subsidiaries’ assets).

“*Immaterial Subsidiaries*” means any Subsidiary with assets with a book value as determined in accordance with GAAP of not more than \$500,000 at any one time.

“*Indebtedness for Borrowed Money*” means for any Person (without duplication) (a) all indebtedness created, assumed or incurred in any manner by such Person representing money borrowed (including by the issuance of debt securities), (b) all indebtedness for the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business which are not more than ninety (90) days past due), (c) all indebtedness secured by any Lien upon Property of such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness, (d) all Capitalized Lease Obligations of such Person, and (e) all obligations of such Person with respect to letters of credit, bankers’ acceptances and other extensions of credit whether or not representing obligations for borrowed money.

“*Indemnified Taxes*” means (a) Taxes, other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of the Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

“*Interest Payment Date*” means on the date 1 to 5 Business Days after the advance of each Loan, and on the Termination Date.

“*Legal Requirement*” means any treaty, convention, statute, law, regulation, ordinance, license, permit, governmental approval, injunction, judgment, order, consent decree or other requirement of any Governmental Authority, whether federal, state, or local.

“*Lenders*” means and includes BMO Harris Bank N.A. and the other financial institutions from time to time party to this Agreement, including each assignee Lender pursuant to Section 12.12 hereof and, unless the context otherwise requires, the Swing Line Lender.

“*Lien*” means any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale, Capital Lease or other title retention arrangement.

“*Loan*” means any Revolving Loan or Swing Loan.

“*Loan Documents*” means this Agreement, the Notes (if any), the Guaranties, and each other instrument or document to be delivered hereunder or thereunder or otherwise in connection therewith.

“*Margin Loan*” means a Revolving Loan or a Swingline Loan, the proceeds of which are used to finance commercial customer margin calls at Clearing Houses.

“*Material Adverse Effect*” means (a) a material adverse change in, or material adverse effect upon, the operations, business, Property, condition (financial or otherwise) or prospects of the Borrower or of Holdings, the Borrower and the Subsidiaries taken as a whole, (b) a material impairment of the ability of Holdings, the Borrower or any Subsidiary to perform its material obligations under any Loan Document or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against Holdings, the Borrower or any Guarantor of any Loan Document or the rights and remedies of the Administrative Agent and the Lenders thereunder.

“*Moody’s*” means Moody’s Investors Service, Inc.

“*Multiemployer Plan*” means a multiemployer plan as defined in Section 4001(a)(3) of ERISA.

“*Net Income*” means, with reference to any period, the net income of Borrower and its Subsidiaries for such period computed on a consolidated basis in accordance with GAAP; *provided* that there shall be excluded from Net Income (a) the net income (or net loss) of any Person accrued prior to the date it becomes a Subsidiary of, or has merged into or consolidated with, Borrower or another Subsidiary, and (b) the net income (or net loss) of any Person (other than a Subsidiary) in which Borrower or any of its Subsidiaries has an equity interest in, except to the extent of the amount of dividends or other distributions actually paid to Borrower or any of its Subsidiaries during such period.

“*Net Loss*” means, with reference to any period, means Net Income that is less than \$0.00 for such period.

“*Non-Consenting Lender*” means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all or all affected Lenders in accordance with the terms of Section 12.11 and (b) has been approved by the Required Lenders.

“*Non-Defaulting Lender*” means, at any time, each Lender that is not a Defaulting Lender at such time.

“*Note*” and “*Notes*” each is defined in Section 1.9 hereof.

“NSCC” means the National Securities Clearing Corporation.

“NSCC Deposit Requirements” means cash collateral requirements established by National Securities Clearing Corporation in connection with securities clearing services provided by National Securities Clearing Corporation, as such requirements may be amended, supplemented or otherwise modified from time to time.

“Obligations” means all obligations of the Borrower to pay principal and interest on the Loans, all fees and charges payable hereunder, and all other payment obligations of the Borrower or any of the Guarantors arising under or in relation to any Loan Document, in each case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired.

“OFAC” means the United States Department of Treasury Office of Foreign Assets Control.

“OFAC SDN List” means the list of the Specially Designated Nationals and Blocked Persons maintained by OFAC.

“Ordinary Course Operating Debt” means (i) Indebtedness for Borrowed Money incurred for operational liquidity needs pursuant to lines of credit, repurchase agreements and other liabilities payable to brokers, dealers, clearing organizations, clients and correspondents, and liabilities in respect of securities sold but not yet purchased, in each case incurred in the ordinary course of the “broker-dealer” and “future commission merchant” business, including Indebtedness for Borrowed Money incurred in the ordinary course of business to finance or secure the purchase or carrying of securities, commodities futures, the provision of margin for forward, futures, repurchase or similar transactions, the making of advances to customers, the establishment of performance or surety bonds or guarantees, or in the nature of a letter of credit or letter of guaranty to support or secure trading and other obligations incurred in the ordinary course of business, including any Indebtedness for Borrowed Money owing to a bank or other financial institution that is providing credit facilities for any of the foregoing, (ii) to the extent constituting Indebtedness for Borrowed Money, accounts payable and accrued liabilities in the ordinary course of business to the extent not more than 30 days past due, and (iii) to the extent constituting Indebtedness for Borrowed Money, notes, bills and checks presented in the ordinary course of business by such Person to banks for collection or deposit.

“Other Connection Taxes” means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

“Other Taxes” means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security

interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment.

“*Patriot Act*” means the USA Patriot Act (Title III of Pub. L. 107 56 (signed into law October 26, 2001)).

“*Payment in Full*” means as of any date of determination, (i) the indefeasible payment in full in cash of all Loans, together with accrued and unpaid interest thereon; (ii) the Commitments to lend under this Agreement are terminated; and (iii) the indefeasible payment in full in cash of all fees, reimbursable expenses and other Obligations.

“*PBGC*” means the Pension Benefit Guaranty Corporation or any Person succeeding to any or all of its functions under ERISA.

“*Percentage*” means, for each Lender, the percentage of the Commitments represented by such Lender’s Commitment or, if the Commitments have been terminated, the percentage held by such Lender of the aggregate principal amount of all Revolving Loans then outstanding.

“*Person*” means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization or any other entity or organization, including a government or agency or political subdivision thereof.

“*Plan*” means any employee pension benefit plan covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code that either (a) is maintained by a member of the Controlled Group for employees of a member of the Controlled Group or (b) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

“*Platform*” means Debt Domain, Intralinks, Syndtrak, DebtX or a substantially similar electronic transmission system.

“*Property*” means, as to any Person, all types of real, personal, tangible, intangible or mixed property owned by such Person whether or not included in the most recent balance sheet of such Person and its Subsidiaries under GAAP.

“*PTE*” means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

“*Recipient*” means (a) the Administrative Agent or (b) any Lender, as applicable.

“*Regulatory Action*” means the occurrence of any of the following:

(a) 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;

(b) 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) resulting from any act or omission by the Chief Executive Officer, Chief Financial Officer or Chief Compliance Officer, in their capacity as an officer of the Borrower, 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

(c) the Borrower's then current Chief Executive Officer, Chief Financial Officer or Chief Compliance Officer 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

"Regulatory Authority" means the CFTC, the SEC and all other examining and regulating authorities with jurisdiction over the Borrower.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Required Lenders" means, as of the date of determination thereof, (i) in the event there are two (2) Lenders, 100% and (ii) in the event there are more than two (2) Lenders, Lenders whose outstanding Loans and Unused Commitments constitute more than 50% of the sum of the total outstanding Loans and Unused Commitments of the Lenders.

"Rescindable Amount" is defined in Section 2.13(b).

"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.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Revolving Loan" is defined in Section 1.1 hereof, and as so defined, includes a Margin Loan and a Reserve Loan, each of which is a "type" of Loan hereunder.

"Revolving Note" is defined in Section 1.9 hereof.

“S&P” means Standard & Poor’s Ratings Services Group, a division of The McGraw-Hill Companies, Inc.

“*Sanctioned Person*” means, at any time, (a) any Person listed in any Sanctions-related list of designated Persons maintained by OFAC (including the OFAC SDN List), the United States Department of State, the United Nations Security Council, the European Union, any European Union member state, His Majesty’s Treasury of the United Kingdom, or any other relevant sanctions authority, (b) any Person located, organized or resident in a Designated Jurisdiction or (c) any Person owned or controlled by any such Person or Persons described in clauses (a) or (b) above.

“*Sanctions*” means all applicable economic or financial sanctions, sectoral sanctions, secondary sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the United States government (including those administered by OFAC or the United States Department of State), or (b) the United Nations Security Council, the European Union, any European Union member state, His Majesty’s Treasury of the United Kingdom, or any other relevant sanctions authority with jurisdiction over Holdings, the Borrower or any Guarantor or any of their respective Subsidiaries or Affiliates

“*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.

“*SIPA*” means Securities Investor Protection Act of 1970, as amended.

“*SIPC*” means the Securities Investor Protection Corporation established pursuant to the Securities Investor Protection Act of 1970, as amended, or any other corporation that succeeds to the functions thereof.

“*SOFR*” means a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York) or a successor administrator of the secured overnight financing rate).

“*Subordinated Debt*” means Indebtedness for Borrowed Money which (i) qualifies as the Borrower’s regulatory capital calculated in accordance with Exchange Act Rule 15c3-1, (ii) is unsecured, and (iii) is subordinated in right of payment to the prior payment of the Obligations pursuant to subordination provisions reasonably acceptable to the Administrative Agent (which shall include the subordination provisions required pursuant to Appendix D to the Exchange Act Rule 15c3-1).

“*Subsidiary*” means, as to any particular parent corporation or organization, any other corporation or organization more than 50% of the outstanding Voting Stock of which is at the time directly or indirectly owned by such parent corporation or organization or by any one or



more other entities which are themselves subsidiaries of such parent corporation or organization. Unless otherwise expressly noted herein the term “*Subsidiary*” means a Subsidiary of the Borrower or any of its direct or indirect Subsidiaries.

“*Swing Line*” means the credit facility for making one or more Swing Loans described in Section 1.5 hereof.

“*Swing Line Lender*” means BMO Harris Bank N.A., acting in its capacity as the Lender of Swing Loans hereunder, or any successor Lender acting in such capacity appointed pursuant to Section 12.12 hereof.

“*Swing Line Sublimit*” means \$50,000,000, as reduced pursuant to the terms hereof.

“*Swing Loan*” and “*Swing Loans*” each is defined in Section 1.5 hereof, and as so defined, includes a Margin Loan and a Reserve Loan, each of which is a “*type*” of Loan hereunder.

“*Swing Loan*” and “*Swing Loans*” each is defined in Section 1.5 hereof, and as so defined, includes a Margin Loan and a Reserve Loan, each of which is a “*type*” of Loan hereunder.

“*Tangible Net Worth*” means, for any Person and at any time the same is to be determined, the excess of such Person’s assets over all its liabilities and reserves as determined in accordance with GAAP, but excluding as assets (i) goodwill and other intangible items and (ii) advances, loans and investments of such Person’s Affiliates and Subsidiaries (other than advances, loans and investments permitted by Section 8.9(h) hereof).

“*Taxes*” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“*Term SOFR*” means the Term SOFR Reference Rate for a tenor of one month on the day (such day, the “*Term SOFR Determination Day*”) that is two (2) Business Days prior to such day, as such rate is published by the Term SOFR Administrator; *provided, however*, that if as of 5:00 p.m. (New York City time) on any Term SOFR Determination Day, the Term SOFR Reference Rate for a tenor of one month has not been published by the Term SOFR Administrator, then Term SOFR will be the Term SOFR Reference Rate for a tenor of one month as published by the Term SOFR Administrator on the first preceding Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding Business Day is not more than three (3) Business Days prior to such Term SOFR Determination Day.

“*Term SOFR Administrator*” means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

“*Term SOFR Reference Rate*” means the forward-looking term rate based on the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

“*Termination Date*” means the earliest to occur of (i) December 11, 2023, (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 Clearing House 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; or

(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.

“*UK Financial Institution*” means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended from time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

“*UK Resolution Authority*” means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

“*Unadjusted Benchmark Replacement*” means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

“*Unfunded Vested Liabilities*” means, for any Plan at any time, the amount (if any) by which the present value of all vested nonforfeitable accrued benefits under such Plan exceeds the fair market value of all Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the Controlled Group to the PBGC or the Plan under Title IV of ERISA.

“*Unused Commitments*” means, at any time, the difference between the Commitments then in effect and the aggregate outstanding principal amount of Revolving Loans.

“*U.S. Dollars*” and “\$” each means the lawful currency of the United States of America.

“*U.S. Person*” means any Person that is a “United States Person” as defined in Section 7701(a)(30) of the Code.

“*Voting Stock*” of any Person means capital stock or other equity interests of any class or classes (however designated) having ordinary power for the election of directors or other similar governing body of such Person, other than stock or other equity interests having such power only by reason of the happening of a contingency.

“*Welfare Plan*” means a “welfare plan” as defined in Section 3(1) of ERISA.

“*Wholly-owned Subsidiary*” means a Subsidiary of which all of the issued and outstanding shares of capital stock (other than directors’ qualifying shares as required by law) or other equity interests are owned by the Borrower and/or one or more Wholly-owned Subsidiaries within the meaning of this definition.

“*Withholding Agent*” means the Borrower and the Administrative Agent.

“*Withdrawal Liability*” means liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part 1 of Subtitle E of Title IV of ERISA.

“*Write-Down and Conversion Powers*” means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution 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.

“*Zero Loan Day*” means, at any time, a Business Day in which no principal amount of the Loans is outstanding.

*Section 5.2. Interpretation.* The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. The words “hereof”, “herein”, and “hereunder” and words of like import when used in this Agreement shall refer to this Agreement as a whole and not to any particular provision of this Agreement. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” All references to

time of day herein are references to Chicago, Illinois, time unless otherwise specifically provided. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP except where such principles are inconsistent with the specific provisions of this Agreement. The term “shall” shall have the same meaning as the term “will”. Any covenants, terms, definitions or other provisions from other agreements that are expressly incorporated by reference into this Agreement shall be incorporated as if such provisions were fully set forth herein, and such incorporation shall include all necessary definitions and related provisions from such other agreements but including only amendments thereto agreed to by the Lenders, and shall survive any termination of such other agreements until Payment in Full occurs. Any reference to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such Law and any reference to any Law or regulation shall, unless otherwise specified, refer to such Law or regulation as amended, modified or supplemented from time to time and any successor law or regulation. References to any document, instrument or agreement (a) shall include all exhibits, schedules and other attachments thereto, (b) shall include all documents, instruments or agreements issued or executed in replacement thereof, to the extent permitted hereby and (c) shall mean such document, instrument or agreement, or replacement or predecessor thereto, as amended, supplemented, restated or otherwise modified from time to time to the extent not otherwise stated herein or prohibited hereby and in effect at any given time.

*Section 5.3. Change in Accounting Principles.* If, after the date of this Agreement, there shall occur any change in GAAP from those used in the preparation of the financial statements referred to in Section 6.5 hereof and such change shall result in a change in the method of calculation of any financial covenant, standard or term found in this Agreement, either the Borrower or the Required Lenders may by notice to the Lenders and the Borrower, respectively, require that the Lenders and the Borrower negotiate in good faith to amend such covenants, standards, and terms so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of the Borrower and the Subsidiaries shall be the same as if such change had not been made. No delay by the Borrower or the Required Lenders in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with this Section 5.3, financial covenants shall be computed and determined in accordance with GAAP in effect prior to such change in accounting principles. Without limiting the generality of the foregoing, the Borrower shall neither be deemed to be in compliance with any financial covenant hereunder nor out of compliance with any financial covenant hereunder if such state of compliance or noncompliance, as the case may be, would not exist but for the occurrence of a change in accounting principles after the date hereof.

*Section 5.4. Interest Rates.* The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to (a) the continuation of, administration of, submission of, calculation of or any other matter related to the Benchmark, any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate

(including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Benchmark or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of the Benchmark, any alternative, successor or replacement rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrower. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain the Benchmark or any other Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrower, any Lender or any other person or entity for damages of any kind, including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

*Section 5.5. Divisions.* For all purposes under the Loan Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its equity interests at such time.

## Section 6. Representations and Warranties.

The Borrower represents and warrants to the Administrative Agent and the Lenders as follows:

*Section 6.1. Organization and Qualification.* The Borrower is a corporation that is duly organized and validly existing under the laws of the State of Florida, and has full corporate power to own its Property and conduct its business as now conducted, and is duly licensed or qualified and in good standing in each jurisdiction in which the nature of the business conducted by it or the nature of the Property owned or leased by it requires such licensing or qualifying, except where the failure to do so would not have a Material Adverse Effect. The Borrower has been duly registered with the Commodity Futures Trading Commission ("CFTC") as a futures commission merchant and is a member in good standing of the Chicago Mercantile Exchange, which is its DSRO.

*Section 6.2. Holdings and Subsidiaries.* Holdings and each Subsidiary of the Borrower is duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is organized, has full corporate power to own its Property and conduct its business as now conducted, and is duly licensed or qualified and in good standing in each jurisdiction in which the nature of the business conducted by it or the nature of the Property owned or leased by it requires such licensing or qualifying, except where the failure to do so would not have a Material Adverse Effect. Schedule 6.2 hereto identifies each Subsidiary of the Borrower, the jurisdiction of its organization, the percentage of issued and outstanding shares of each class of

its capital stock or other equity interests owned by the Borrower and its Subsidiaries and, if such percentage is not 100% (excluding directors' qualifying shares as required by law), a description of each class of its authorized capital stock and other equity interests and the number of shares of each class issued and outstanding. All of the outstanding shares of capital stock and other equity interests of each Subsidiary of the Borrower are validly issued and outstanding and fully paid and nonassessable and all such shares and other equity interests indicated on Schedule 6.2 as owned by the Borrower or the any Subsidiary of the Borrower are owned, beneficially and of record, by the Borrower or the applicable Subsidiary free and clear of all Liens. There are no outstanding commitments or other obligations of any Subsidiary to issue, and no options, warrants or other rights of any Person to acquire, any shares of any class of capital stock or other equity interests of any Subsidiary.

*Section 6.3. Authority and Validity of Obligations.* The Borrower has full right and authority to enter into this Agreement and the other Loan Documents executed by it, to make the borrowings herein provided for, and to perform all of its obligations hereunder and under the other Loan Documents executed by it. Each Guarantor has full corporate power and authority to enter into the Loan Documents executed by it, to guarantee the Obligations, and to perform all of its obligations under the Loan Documents executed by it. The Loan Documents delivered by the Borrower and each Guarantor have been duly authorized, executed, and delivered by such Persons and constitute valid and binding obligations of the Borrower and the Guarantors enforceable against them in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law); and this Agreement and the other Loan Documents do not, nor does the performance or observance by the Borrower or any Guarantor of any of the matters and things herein or therein provided for, (a) contravene or constitute a default under any provision of law or any judgment, injunction, order or decree binding upon the Borrower or any Guarantor or any provision of the organizational documents (*e.g.*, charter, certificate or articles of incorporation and by-laws, certificate or articles of association and operating agreement, partnership agreement, or other similar organizational documents) of the Borrower or any Guarantor, (b) contravene or constitute a default under any covenant, indenture or agreement of or affecting the Borrower or any Guarantor or any of their Property, in each case where such contravention or default, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (c) result in the creation or imposition of any Lien on any Property of Holdings, the Borrower or any Subsidiary.

*Section 6.4. Use of Proceeds; Margin Stock.* The Borrower shall use the proceeds of Margin Loans to finance, on an overnight basis, margin calls at Clearing Houses of the Borrower and the Reserve Loans to finance customer withdrawals from the Reserve Account.

*Section 6.5. Financial Reports.* Each of (i) the audit report of the Borrower for the fiscal year ending September 30, 2021, including a balance sheet, profit and loss statement and statement of application of funds as of and for the period ending September 30, 2021, (ii) FOCUS Part 2 of the Borrower dated August 31, 2022, and (iii) Form 10-Q filed by Holdings with the Securities and Exchange Commission for the fiscal quarter ended June 30, 2022, have been prepared in accordance with generally accepted accounting principles (except that interim

statements omit any footnotes to the information contained therein and do not reflect certain adjustments which would be reflected on the annual certified financial statements) on a basis consistent, except as otherwise noted therein, with that of the previous fiscal year or period and fairly reflect the financial position of the undersigned as of the dates thereof, and the results of operations for the periods covered thereby. None of Holdings, the Borrower nor any Subsidiary has contingent liabilities which are material to it other than as indicated on such financial statements or, with respect to future periods, on the financial statements furnished pursuant to Section 8.5 hereof.

*Section 6.6. No Material Adverse Change; Change in Law.* (i) *Material Adverse Change.* Since September 30, 2021, there has been no material adverse change in the condition, financial or otherwise, of the Borrower or any Guarantor, except those occurring in the ordinary course of business or disclosed in the financial reports identified in Section 6.5 hereof, any periodic reports filed by Holdings with the SEC under the Securities Exchange Act of 1934, or another form of written disclosure to the Lenders prior to the date of this Agreement. (ii) *Change in Law.* No Change in Law has occurred that impairs the ability of the Borrower to make any payment of principal or interest when due on any Loan.

*Section 6.7. Full Disclosure.* The statements and information furnished to the Administrative Agent and the Lenders in connection with the negotiation of this Agreement and the other Loan Documents and the commitments by the Lenders to provide all or part of the financing contemplated hereby do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading, the Administrative Agent and the Lenders acknowledging that as to any projections furnished to the Administrative Agent and the Lenders, the Borrower only represents that the same were prepared on the basis of information and estimates the Borrower believed to be reasonable at the time. The information included in the Beneficial Ownership Certification, as updated in accordance with Section 8.14(c), is true and correct in all material respects.

*Section 6.8. Trademarks, Franchises, and Licenses.* Holdings, the Borrower and the Subsidiaries own, possess, or have the right to use all patents, licenses, franchises, trademarks, trade names, trade styles, copyrights, trade secrets, know how, and confidential commercial and proprietary information to conduct their businesses as now conducted, without known conflict with any patent, license, franchise, trademark, trade name, trade style, copyright or other proprietary right of any other Person, in each case where the failure to own, possess or have the same could reasonably be expected to have a Material Adverse Effect.

*Section 6.9. Governmental Authority and Licensing.* Holdings, the Borrower and the Subsidiaries have received all licenses, permits, and approvals of all Governmental Authorities, if any, necessary to conduct their businesses, in each case where the failure to obtain or maintain the same could reasonably be expected to have a Material Adverse Effect. No investigation or proceeding which, if adversely determined, could reasonably be expected to result in revocation or denial of any material license, permit or approval is pending or, to the knowledge of the Borrower, threatened.

*Section 6.10. Good Title.* The Borrower and the Subsidiaries have good and defensible title (or valid leasehold interests) to their assets as reflected on the most recent consolidated balance sheet of the Borrower and the Subsidiaries furnished to the Administrative Agent and the Lenders (except for sales of assets in the ordinary course of business), subject to no Liens other than such thereof as are permitted by Section 8.8 hereof.

*Section 6.11. Litigation and Other Controversies.* There is no litigation or governmental or arbitration proceeding or labor controversy pending, nor to the knowledge of the Borrower threatened, against Holdings, the Borrower or any Subsidiary or any of their Property which has a reasonable probability of being determined adversely, and if adversely determined, could reasonably be expected to have a Material Adverse Effect. Any litigation or governmental or arbitration proceeding or labor controversy disclosed in the financial reports identified in Section 6.5 and in Form 10-K filed by Holdings with the SEC for the fiscal year ended September 30, 2021 are not reasonably expected to have a Material Adverse Effect.

*Section 6.12. Taxes.* All material tax returns required to be filed by Holdings, the Borrower or any Subsidiary in any jurisdiction have, in fact, been filed, and all material taxes, assessments, fees, and other governmental charges upon Holdings, the Borrower or any Subsidiary or upon any of its Property, income or franchises, which are shown to be due and payable in such returns, have been paid, except such taxes, assessments, fees and governmental charges, if any, as are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and as to which adequate reserves established in accordance with GAAP have been provided. The Borrower has no knowledge of any proposed additional tax assessment against Holdings, the Borrower or the Subsidiaries for which adequate provisions in accordance with GAAP have not been made on their accounts. Adequate provisions in accordance with GAAP for taxes on the books of Holdings, the Borrower and each Subsidiary have been made for all open years, and for its current fiscal period.

*Section 6.13. Approvals.* No authorization, consent, license or exemption from, or filing or registration with, any Governmental Authority, nor any approval or consent of any other Person, is or will be necessary to the valid execution, delivery or performance by Holdings, the Borrower or any Subsidiary of any Loan Document, except for such approvals which have been obtained prior to the date of this Agreement and remain in full force and effect.

*Section 6.14. Affiliate Transactions.* Neither the Borrower nor any Subsidiary is a party to any contracts or agreements with any of its Affiliates (other than with any Wholly-owned Subsidiary of the Borrower) on terms and conditions which are less favorable to the Borrower or such Subsidiary than would be usual and customary in similar contracts or agreements between Persons not affiliated with each other.

*Section 6.15. Investment Company.* None of Holdings, the Borrower nor any Subsidiary is an “investment company” or a company “controlled” by an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

*Section 6.16. ERISA; Plan Assets; Prohibited Transactions.* (a) Holdings and the Borrower and each other member of its Controlled Group has fulfilled its obligations under the



minimum funding standards of and is in compliance in all material respects with ERISA and the Code to the extent applicable to it and has not incurred any liability to the PBGC or a Plan under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA. None of Holdings, the Borrower nor any Subsidiary has any contingent liabilities with respect to any post-retirement benefits under a Welfare Plan, other than liability for continuation coverage described in article 6 of Title I of ERISA.

(b) None of Holdings, the Borrower nor any Subsidiary is an entity deemed to hold “plan assets” within the meaning of 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA, of an employee benefit plan (as defined in Section 3(3) of ERISA) which is subject to Title I of ERISA or any plan (within the meaning of Section 4975 of the Code) which is subject to Section 4975 of the Code, and neither the execution of this Agreement nor the making of Credit Extensions hereunder gives rise to a prohibited transaction within the meaning of Section 406 of ERISA or Section 4975 of the Code. None of Holdings, the Borrower nor any Subsidiary is subject to any law, rule or regulation which is substantially similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code.

*Section 6.17. Compliance with Laws.* Holdings, the Borrower and the Subsidiaries are in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to their Property or business operations (including, without limitation, the Occupational Safety and Health Act of 1970, the Americans with Disabilities Act of 1990, and laws and regulations establishing quality criteria and standards for air, water, land and toxic or hazardous wastes and substances), where any such non-compliance, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. None of Holdings, the Borrower nor any Subsidiary has received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health, and safety statutes and regulations or is the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, where any such non-compliance or remedial action, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

*Section 6.18. Other Agreements.* None of Holdings, the Borrower nor any Subsidiary is in default under the terms of any covenant, indenture or agreement of or affecting such Person or any of its Property, which default if uncured could reasonably be expected to have a Material Adverse Effect.

*Section 6.19. Solvency.* Holdings, the Borrower and the Subsidiaries are solvent, able to pay their debts as they become due, and have sufficient capital to carry on their business and all businesses in which they are about to engage.

*Section 6.20. No Broker Fees.* No broker’s or finder’s fee or commission will be payable with respect hereto or any of the transactions contemplated thereby; and the Borrower hereby agrees to indemnify the Administrative Agent and the Lenders against, and agree that they will hold the Administrative Agent and the Lenders harmless from, any claim, demand, or liability for any such broker’s or finder’s fees alleged to have been incurred in connection herewith or

therewith and any expenses (including reasonable attorneys' fees) arising in connection with any such claim, demand, or liability.

*Section 6.21. No Default or Regulatory Action.* No Default or Event of Default has occurred and is continuing. No Regulatory Action has occurred and is continuing.

*Section 6.22. Sanctions; Anti-Money Laundering Laws and Anti-Corruption Laws .* (a) Neither Holdings, the Borrower nor any of their Subsidiaries, or any of their directors or executive officers, nor, to the knowledge of Borrower, any other officer, employee, agent or representative of Holdings, the Borrower or any of their Subsidiaries, is a Sanctioned Person or currently the subject or target of any Sanctions.

(b) Holdings and the Borrower, each of their Subsidiaries, and to the knowledge of Borrower with reasonable investigation, each of Holdings' and the Borrower's and their Subsidiaries' respective directors, officers and employees are in compliance with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

(c) Holdings, the Borrower and their Subsidiaries have instituted and maintain in effect policies and procedures reasonably designed to ensure compliance by the Holdings, the Borrower and their Subsidiaries, and Holdings', the Borrower's and their Subsidiaries' respective directors, officers, employees and agents with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.

*Section 6.23. EEA Financial Institution.* Neither Holdings or the Borrower nor any of their respective Subsidiaries, is an EEA Financial Institution.

*Section 6.24. Registration; Qualifications.* The Borrower (i) has been duly registered with the SEC as a registered broker dealer and the CFTC as a futures commission merchant, (ii) is approved as a clearing corporation of DTC and the National Securities Clearing Corporation, (iv) is an "exempted borrower" within the meaning of Reg U of the Board of Governors of the Federal Reserve System, and (v) is excluded as a "Legal Entity Customer" for purposes of the beneficial ownership rule under 31 CFR 1010.230.

## Section 7. Conditions Precedent.

*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 in all material respects as of said time (where not already qualified by materiality, otherwise in all respects), except to the extent the same expressly relate to an earlier date, in which case they shall be true and correct in all material respects (where not already qualified by materiality, otherwise in all respects) as of such 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 calculations evidencing 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; and (ii) the aggregate principal amount of Reserve Loans at any time outstanding shall not exceed the Reserve Borrowing Base, and

(d) no Termination Event has occurred.

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) or (d), 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.

*Section 7.2. Initial Credit Event..* Before or concurrently with the initial Credit Event:

(a) the Administrative Agent shall have received the following (and, with respect to all documents, each to be properly executed and completed) and the same shall have been approved as to form and substance by the Administrative Agent:

(i) this Agreement;

(ii) if requested by any Lender, the Notes;

(iii) copies (executed or certified as may be appropriate) of resolutions of the Board of Directors or other governing body of Holdings and the Borrower authorizing the execution, delivery, and performance of the Loan Documents;

(iv) certificate of incorporation (or equivalent organizational document) of Holdings and the Borrower certified by the appropriate governmental office of the state of its organization;

(v) by-laws (or equivalent organizational document) for Holdings and the Borrower certified by an appropriate officer of such Person acceptable to the Administrative Agent;

(vi) an incumbency certificate containing the name, title and genuine signature of the Borrower's Authorized Representatives;

(vii) (A) audited financial statements of the Borrower (including balance sheets and statements of income) for the fiscal years ended September 30, 2019, September 30, 2020 and September 30, 2021 together with FOCUS Part 2 of the Borrower for each month commencing October 31, 2021 through August 31, 2022;

(viii) good standing certificates for Holdings and the Borrower, dated as of a date no earlier than 30 days prior to the date hereof, from the appropriate governmental offices in the state of its incorporation or organization;

(ix) each of the Lenders shall have received, sufficiently in advance of the Closing Date, all documentation and other information requested by any such Lender required by bank regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including without limitation, the Patriot Act and the Administrative Agent shall have received a fully executed Internal Revenue Service Form W-9 (or its equivalent) and, to the extent applicable, the Beneficial Ownership Certification for Holdings and the Borrower;

(b) the Administrative Agent shall have received the favorable written opinion of counsel for the Borrower in form and substance reasonably satisfactory to the Administrative Agent and its counsel;

(c) the Administrative Agent shall have received financing statement, tax and judgment lien search results against the Property of Holdings and the Borrower evidencing the absence of Liens on their Property except as permitted by Section 8.8 hereof or Liens to be discharged on or prior to the Initial Closing Date pursuant to documentation reasonably satisfactory to the Administrative Agent;

(d) the Administrative Agent shall have received, for the ratable benefit of the Lenders, a non-refundable up-front fee equal to 0.15% of the Commitments in effect on the Closing Date;

(e) the Administrative Agent shall have received evidence reasonably satisfactory to it that the Borrower has directed the return of any margin calls from the Clearing Houses by deposit into the Settlement Account;

(f) no material adverse change in the business, condition (financial or otherwise), operations, performance, Properties or prospects of the Borrower shall have occurred since September 30, 2021; and

(g) the Administrative Agent shall have received such other agreements, instruments, documents, certificates and opinions as the Administrative Agent may reasonably request.

## Section 8. Covenants.

The Borrower agrees that, so long as any credit is available to or in use by the Borrower hereunder, except to the extent compliance in any case or cases is waived in writing pursuant to the terms of Section 12.13 hereof:

*Section 8.1. Maintenance of Business.* Holdings and the Borrower shall, and shall cause each Subsidiary to, preserve and maintain its existence, except as otherwise provided in

Section 8.10 hereof. Holdings and the Borrower shall, and shall cause each Subsidiary to, preserve and keep in force and effect all licenses, permits, franchises, approvals, patents, trademarks, trade names, trade styles, copyrights, and other proprietary rights necessary to the proper conduct of its business where the failure to do so could reasonably be expected to have a Material Adverse Effect.

*Section 8.2. Maintenance of Properties.* Holdings and the Borrower shall, and shall cause each Subsidiary to, maintain, preserve, and keep its property, plant, and equipment in good repair, working order and condition (ordinary wear and tear excepted), and shall from time to time make all needful and proper repairs, renewals, replacements, additions, and betterments thereto so that at all times the efficiency thereof shall be fully preserved and maintained, except (i) to the extent that, in the reasonable business judgment of such Person, any such Property is no longer necessary for the proper conduct of the business of such Person or (ii) where failure to do so could reasonably be expected to have a Material Adverse Effect.

*Section 8.3. Taxes and Assessments.* Holdings and the Borrower shall duly pay and discharge, and shall cause each Subsidiary to duly pay and discharge, all taxes, rates, assessments, fees, and governmental charges upon or against it or its Property, in each case before the same become delinquent and before penalties accrue thereon, other than (i) to the extent that the same are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves are provided therefor or (ii) to the extent the failure to do so would not reasonably be expected to result in a Material Adverse Effect.

*Section 8.4. Insurance.* Holdings and the Borrower shall insure and keep insured, and shall cause each Subsidiary to insure and keep insured, with good and responsible insurance companies, all insurable Property owned by it which is of a character usually insured by Persons similarly situated and operating like Properties against loss or damage from such hazards and risks, and in such amounts, as are insured by Persons similarly situated and operating like Properties; and Holdings and the Borrower shall insure, and shall cause each Subsidiary to insure, such other hazards and risks (including, without limitation, business interruption, employers' and public liability risks) with good and responsible insurance companies as and to the extent usually insured by Persons similarly situated and conducting similar businesses. The Borrower shall, upon the request of the Administrative Agent, furnish to the Administrative Agent and the Lenders a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this Section.

*Section 8.5. Financial Reports.* Holdings and the Borrower shall, and shall cause each Subsidiary to, maintain a standard system of accounting in accordance with GAAP and shall furnish to the Administrative Agent, each Lender and each of their duly authorized representatives such information respecting the business and financial condition of Holdings the Borrower and each Subsidiary as the Administrative Agent or such Lender may reasonably request; and without any request, shall furnish to the Administrative Agent and the Lenders:

(a)(i) as soon as available, and in any event no later than 45 days after the last day of each calendar month, a copy of the Borrower's financial statements and reports for

each month accounting period consisting of a FOCUS Part 2 including a profit and loss statement of the Borrower prepared by the Borrower as of the end of and for such period in accordance with GAAP consistently applied and certified by the chief financial officer or another officer of the Borrower acceptable to the Administrative Agent;

(a)(ii) as soon as available, and in any event no later than 45 days after the last day of each of the first three fiscal quarters of each fiscal year of Holdings, a copy of the consolidated balance sheet of Holdings and its Subsidiaries as of the last day of such fiscal quarter and the consolidated statements of income, retained earnings, and cash flows of Holdings and its Subsidiaries for the fiscal quarter and for the fiscal year-to-date period then ended, each in reasonable detail showing in comparative form the figures for the corresponding date and period in the previous fiscal year, prepared by Holdings in accordance with GAAP (subject to the absence of footnote disclosures and year-end audit adjustments) and certified to by its chief financial officer or another officer of Holdings acceptable to the Administrative Agent;

(b)(i) as soon as available, and in any event no later than 90 days after the last day of each fiscal year of the Borrower, a copy of the Borrower's annual audited financial statements (including a balance sheet and profit and loss statement) for each fiscal year, audited by an independent public accountants of nationally recognized standing, to the effect that the consolidated financial statements have been prepared in accordance with GAAP and present fairly in accordance with GAAP the consolidated financial condition of the Borrower and its Subsidiaries and the unconsolidated financial condition of the Borrower as of the close of such fiscal year and the results of their operations and cash flows for the fiscal year then ended and that an examination of such accounts in connection with such financial statements has been made in accordance with generally accepted auditing standards and, accordingly, such examination included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances;

(b)(ii) as soon as available, and in any event no later than 90 days after the last day of each fiscal year of Holdings, a copy of the consolidated balance sheet of Holdings and its Subsidiaries as of the last day of the fiscal year then ended and the consolidated statements of income, retained earnings, and cash flows of Holdings and its Subsidiaries for the fiscal year then ended, and accompanying notes thereto, each in reasonable detail showing in comparative form the figures for the previous fiscal year, accompanied by an unqualified opinion of a firm of independent public accountants of recognized national standing, selected by Holdings and reasonably satisfactory to the Administrative Agent and the Required Lenders, to the effect that the consolidated financial statements have been prepared in accordance with GAAP and present fairly in accordance with GAAP the consolidated financial condition of Holdings and its Subsidiaries as of the close of such fiscal year and the results of their operations and cash flows for the fiscal year then ended and that an examination of such accounts in connection with such financial statements has been made in accordance with generally accepted auditing standards and, accordingly, such examination included such tests of the accounting records and such other auditing procedures as were considered necessary in the circumstances;

(c) promptly after receipt thereof, any additional written reports, management letters or other detailed information contained in writing concerning significant aspects of Holdings, the Borrower's or any Subsidiary's operations and financial affairs given to it by its independent public accountants;

(d) promptly after the sending or filing thereof, copies of each report, notice or proxy statement sent by Holdings, the Borrower or any Subsidiary to its stockholders or other equity holders, and copies of each periodic or special report, registration statement or prospectus (excluding all reports on Form 10-K, all reports on Form 10-Q and all other filings made in the ordinary course) filed by Holdings, the Borrower or any Subsidiary with any securities exchange or the Securities and Exchange Commission or any successor agency;

(e) promptly after receipt thereof, a copy of each audit made by any regulatory agency of the books and records of Holdings, the Borrower or any Subsidiary or of notice of any material noncompliance with any applicable law, regulation or guideline relating to Holdings, the Borrower or any Subsidiary, or its business, where any such noncompliance, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect;

(f) as soon as available, and in any event no later than 30 days after the end of each fiscal year of the Borrower, a copy of the Borrower's operating budget for the current fiscal year, such operating budget to show the Borrower's projected revenues and expenses on a quarter-by-quarter basis and shall include a summary of all assumptions made in preparing such operating budget;

(g) promptly after knowledge thereof shall have come to the attention of any responsible officer of the Borrower or Holdings, notice of any Change of Control;

(h) promptly after knowledge thereof shall have come to the attention of any responsible officer of Holdings or the Borrower, written notice of (i) any threatened or pending litigation or governmental or arbitration proceeding or labor controversy against Holdings, the Borrower or any Subsidiary or any of their Property which, if adversely determined, could reasonably be expected to have a Material Adverse Effect, (ii) the occurrence of any Default or Event of Default hereunder, (iii) the occurrence of any Regulatory Action or Termination Event, or (iv) any condition exists or the occurrence of event that is reasonably expected to have a Material Adverse Effect; and

(i) as soon as available, and in any event no later than 45 days after the last day of each fiscal quarter of the Borrower, a written certificate in the form attached hereto as Exhibit C signed by the chief financial officer of the Borrower or another officer of the Borrower acceptable to the Administrative Agent to the effect that to the best of such officer's knowledge and belief no Default or Event of Default has occurred during the period covered by such statements or, if any such Default or Event of Default has occurred during such period, setting forth a description of such Default or Event of Default and specifying the action, if any, taken by Holdings, the Borrower or any

Subsidiary to remedy the same. Such certificate shall also set forth the calculations supporting such statements in respect of Section 8.21 hereof.

*Section 8.6. Inspection.* The Borrower shall, and shall cause each Subsidiary to, permit the Administrative Agent, each Lender, and each of their duly authorized representatives and agents to visit and inspect, at reasonable times and intervals any of its Property of the Borrower or any Subsidiary, corporate books, and financial records, to examine and make copies of its books of accounts and other financial records, and to discuss its affairs, finances, and accounts with, and to be advised as to the same by, its officers, employees and independent public accountants (and by this provision the Borrower hereby authorizes such accountants to discuss with the Administrative Agent and such Lenders the finances and affairs of the Borrower and its Subsidiaries) and, so long as no Default or Event of Default exists, with reasonable prior notice to the Borrower. In the absence of an Event of Default, the Administrative Agent and the Lenders shall bear the expense in connection with such visit and inspection.

Notwithstanding anything to the contrary in this Section 8.6, neither the Borrower nor any Subsidiary will be required to disclose or permit the inspection or discussion of any document, information or other matter (i) in respect of which disclosure to the Administrative Agent or any Lender (or their respective representatives) would be in breach of any confidentiality obligations, customer data protection rules or other applicable laws or (ii) that is subject to attorney client or similar privilege or constitutes attorney work product; provided that in the event that the Borrower does not provide information in reliance on the exclusions in this sentence, it shall use commercially reasonable efforts to communicate, to the extent permitted, the applicable information in a way that would not violate such restrictions.

*Section 8.7. Borrowings and Guaranties.* The Borrower shall not, nor shall it permit any Subsidiary to, issue, incur, assume, create or have outstanding any Indebtedness for Borrowed Money, or incur liabilities for interest rate, currency, or commodity cap, collar, swap, or similar hedging arrangements, or directly or indirectly be or become liable as endorser, guarantor or surety for any Indebtedness for Borrowed Money of any other Person, or otherwise assure a creditor of another against loss with respect to Indebtedness for Borrowed Money, or subordinate any claim or demand it may have to the claim or demand of any other Person; *provided, however,* that the foregoing shall not restrict nor operate to prevent:

(a) the Obligations of the Borrower and its Subsidiaries owing to the Administrative Agent and the Lenders (and their Affiliates);

(b) Indebtedness for Borrowed Money, guarantees of Indebtedness for Borrowed Money and other assurances against loss by the Borrower and its Subsidiaries existing as of the Closing Date and disclosed in the financial statements delivered to the Lenders prior to the Closing Date; and any refinancings, refundings, renewals or extensions thereof; *provided* that the amount of such Indebtedness for Borrowed Money is not increased at the time of such refinancing, refunding, renewal or extension except by an amount equal to a reasonable premium or other reasonable amount paid, and fees and expenses reasonably incurred, in connection with such refinancing and by an amount equal to any existing commitments unutilized thereunder;



(c) Subordinated Debt so long as (i) the Borrower is in compliance with the covenants set forth in Section 8.21 immediately before and after giving effect to the incurrence of such Indebtedness, and (ii) no Default or Event of Default has occurred or would result therefrom;

(d) guarantees by the Borrower and its Subsidiaries of introducing brokers made in the ordinary course of business;

(e) Ordinary Course Operating Debt; *provided*, that unsecured Ordinary Course Operating Debt of the type described in clause (i) of such defined term shall not exceed \$20,000,000 in the aggregate at any one time;

(f) Indebtedness for Borrowed Money of the Borrower and its Subsidiaries for intercompany loans and advances not otherwise permitted hereunder so long as (i) such counterparty is either a Guarantor hereunder or such Indebtedness for Borrowed Money is subordinated to the Obligations on terms and conditions satisfactory to the Administrative Agent, and (ii) no payments may be made on account of such Indebtedness for Borrowed Money if a (A) Default or an Event of Default has occurred and is continuing or would result therefrom, and (B) the Borrower is in compliance with Section 8.21 hereof after giving effect to any such loan or advance; and

(g) obligations of Borrower or any Subsidiary arising out of interest rate, foreign currency, and commodity hedging agreements entered into with financial institutions in connection with bona fide hedging activities in the ordinary course of business and not for speculative purposes;

(h) to the extent the same constitutes Indebtedness for Borrowed Money, obligations in respect of purchase price adjustments (including in respect of working capital), earn out agreements, deferred compensation, indemnification obligations and other arrangements representing acquisition consideration or deferred payments of a similar nature incurred in connection with any disposition or purchase or acquisition;

(i) to the extent the same constitutes Indebtedness for Borrowed Money, Indebtedness in respect of workers' compensation claims, payment obligations in connection with health, disability or other types of social security benefits, unemployment or other insurance obligations, reclamation and statutory obligations, in each case in the ordinary course of business;

(j) to the extent the same constitutes Indebtedness for Borrowed Money, Indebtedness representing deferred compensation to employees, officers or directors of the Borrower and its Subsidiaries incurred in the ordinary course of business;

(k) Indebtedness for Borrowed Money of the Borrower and its Subsidiaries constituting overdrafts of deposit accounts so long as (i) no Default or Event of Default has occurred and is continuing or would occur as a result of the incurrence of such

Indebtedness for Borrowed Money, and (ii) such Indebtedness for Borrowed Money is repaid (or deemed repaid) the next Business Day; and

(l) other Indebtedness for Borrowed Money of the Borrower and its Subsidiaries not otherwise permitted hereunder so long as (i) the amount of such Indebtedness does not exceed \$5,000,000 in the aggregate at any one time, and (ii) no Default or Event of Default has occurred and is continuing or would occur as a result of the incurrence of such Indebtedness.

*Section 8.8. Liens.* The Borrower shall not, nor shall it permit any Subsidiary to, create, incur or permit to exist any Lien of any kind on any Property owned by any such Person; *provided, however,* that the foregoing shall not apply to nor operate to prevent:

(a) Liens arising by statute in connection with worker's compensation, unemployment insurance, old age benefits, social security obligations, taxes, assessments, statutory obligations or other similar charges (other than Liens arising under ERISA), good faith cash deposits in connection with tenders, contracts or leases to which the Borrower or any Subsidiary is a party or other cash deposits required to be made in the ordinary course of business, provided in each case that the obligation is not for borrowed money and that the obligation secured is not overdue or, if overdue, is being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves have been established therefor;

(b) mechanics', workmen's, materialmen's, landlords', carriers' or other similar Liens arising in the ordinary course of business with respect to obligations which are not due or which are being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest;

(c) judgment liens and judicial attachment liens not constituting an Event of Default under Section 9.1(g) hereof and the pledge of assets for the purpose of securing an appeal, stay or discharge in the course of any legal proceeding, provided that the aggregate amount of such judgment liens and attachments and liabilities of the Borrower and its Subsidiaries secured by a pledge of assets permitted under this subsection, including interest and penalties thereon, if any, shall not be in excess of \$10,000,000 at any one time outstanding;

(d) Liens existing on the Closing Date and set forth on Schedule 8.8 hereof;

(e) (i) Liens created solely for the purpose of securing Indebtedness for Borrowed Money permitted by Section 8.7(e) hereof; *provided,* that in each case, no such Lien shall extend to or cover other Property of the Borrower or any Subsidiary other than the securities and other financial instruments being financed by such Indebtedness for Borrowed Money;

(f) required deposits maintained with counterparties, commodity or securities exchanges or their associated clearing corporations in the ordinary course of the Borrower's or its Subsidiaries' business;

(g) the interest of lessors under operating leases;

(h) customary restrictions on transfers of assets contained in agreements related to the sale by the Borrower or any of its Subsidiaries of such assets pending their sale, provided that such restrictions apply only to the assets to be sold and such sale is permitted hereunder;

(i) Liens on cash advances in favor of the seller of any property to be acquired in an investment permitted pursuant to Section 8.9 to be applied against the purchase price for such permitted investment; and

(j) required deposits maintained with counterparties, commodity or securities exchanges or their associated clearing corporations in the ordinary course of the business of the Borrower or any Subsidiary; and Liens in favor of a Clearinghouse encumbering such deposits and similar Liens attaching to brokerage and securities accounts (and the personal property assets therein) incurred in the ordinary course of business and not for speculative purposes.

*Section 8.9. Investments, Acquisitions, Loans and Advances.* The Borrower shall not, nor shall it permit any Subsidiary to, directly or indirectly, make, retain or have outstanding any investments (whether through purchase of stock or obligations or otherwise) in, or loans or advances to (other than for travel advances and other similar cash advances made to employees in the ordinary course of business), any other Person, or acquire all or any substantial part of the assets or business of any other Person or division thereof; *provided, however,* that the foregoing shall not apply to nor operate to prevent:

(a) investments in direct obligations of the United States of America or of any agency or instrumentality thereof whose obligations constitute full faith and credit obligations of the United States of America, provided that any such obligations shall mature within one year of the date of issuance thereof;

(b) investments in commercial paper rated at least P-1 by Moody's and at least A-1 by S&P maturing within one year of the date of issuance thereof;

(c) investments in certificates of deposit issued by any Lender or by any United States commercial bank having capital and surplus of not less than \$100,000,000 which have a maturity of one year or less;

(d) investments in repurchase obligations with a term of not more than 7 days for underlying securities of the types described in subsection (a) above entered into with any bank meeting the qualifications specified in subsection (c) above, provided all such

agreements require physical delivery of the securities securing such repurchase agreement, except those delivered through the Federal Reserve Book Entry System;

(e) investments in money market funds that invest solely, and which are restricted by their respective charters to invest solely, in investments of the type described in the immediately preceding subsections (a), (b), (c), and (d) above;

(f) any other investments in assets allowed in the ordinary course of business under the SEC's rules and, in the case of investments of customer funds, under the regulations of the CFTC;

(g) loans and advances in the form of margin loans to customers of the Borrower or any Subsidiary in the ordinary course of business ;

(h) investments (including debt obligations and equity interests) received in connection with the bankruptcy or reorganization of suppliers and customers and in settlement of delinquent obligations of, and other disputes with, customers and suppliers arising in the ordinary course of business and upon the foreclosure with respect to any secured investment or other transfer of title with respect to any secured investment;

(i) the Borrower's investments in its Subsidiaries or investments in a Subsidiary by another Subsidiary, including receipt by the Borrower or such Subsidiary of a Restricted Payment in the form of equity;

(j) the Borrower's loans and advances to Holdings so long as (i) no Default or Event of Default has occurred and is continuing at the time of such loan or advance, (ii) the Borrower is in compliance with Section 8.21 hereof after giving effect to any such loan or advance and (iii) such loan or advance is permitted under all rules and regulations applicable to the Borrower;

(k) the acquisition of all or any substantial part of the assets or business of any other Person (other than the Borrower) or division thereof so long as the aggregate amount of such acquisition, when taken together with acquisitions by merger or consolidation permitted by Section 8.10 hereof, does not exceed \$100,000,000 in value in the aggregate during the term of this Agreement; and

(l) other investments, loans, and advances in addition to those otherwise permitted by this Section in an amount not to exceed \$10,000,000 in the aggregate at any one time outstanding.

In determining the amount of investments, acquisitions, loans, and advances permitted under this Section, investments and acquisitions shall always be taken at the original cost thereof (regardless of any subsequent appreciation or depreciation therein), and loans and advances shall be taken at the principal amount thereof then remaining unpaid.

*Section 8.10. Mergers, Consolidations and Sales.* The Borrower shall not, nor shall it permit any Subsidiary to, be a party to any merger or consolidation, or sell, transfer, lease or otherwise dispose of all or substantially all of its Property, including any disposition of substantially all of its Property as part of a sale and leaseback transaction, or in any event sell or discount (with or without recourse) any of its notes or accounts receivable; *provided, however,* that this Section shall not apply to nor operate to prevent the following:

(a) the merger or consolidation by the Borrower with any Person, firm or corporation (other than the Borrower), to the extent such transactions, when taken together with acquisitions permitted by Section 8.9(i) hereof, do not exceed \$100,000,000 in value in the aggregate during the term of this Agreement and, with respect to any such merger or consolidation, the Borrower is the entity surviving the merger or consolidation;

(b) the merger of any Subsidiary with and into Borrower or any other Subsidiary; *provided* that, in the case of any merger involving Borrower, Borrower is the Person surviving the merger; and

(c) the liquidation or dissolution of any Subsidiary of the Borrower if the Borrower determines in good faith that such liquidation or dissolution is in the best interest of the Borrower and is not materially disadvantageous to the Lenders; *provided, however,* that in each case, immediately before and after giving effect thereto, no Event of Default shall have occurred and be continuing.

*Section 8.11. Maintenance of Subsidiaries.* Neither Holdings nor the Borrower shall assign, sell or transfer, nor shall they permit any Subsidiary to issue, assign, sell or transfer, any shares of capital stock or other equity interests of the Borrower or a Subsidiary of the Borrower; *provided, however,* that the foregoing shall not operate to prevent (a) the issuance, sale, and transfer to any person of any shares of capital stock of the Borrower or a Subsidiary solely for the purpose of qualifying, and to the extent legally necessary to qualify, such person as a director of such Subsidiary, (b) any transaction permitted by Section 8.10 above and (c) the pledge of the Holding's equity interest in the Borrower to secure Holding's obligations under the Holdings' Credit Facilities.

*Section 8.12. Dividends and Certain Other Restricted Payments.* The Borrower shall not, nor shall they permit any Subsidiary to, (a) declare or pay any dividends on or make any other distributions in respect of any class or series of its capital stock or other equity interests (other than dividends or distributions payable solely in its capital stock or other equity interests) or (b) directly or indirectly purchase, redeem, or otherwise acquire or retire any of its capital stock or other equity interests or any warrants, options, or similar instruments to acquire the same (collectively referred to herein as "*Restricted Payments*"); *provided, however,* that the foregoing shall not operate to prevent the making of dividends or distributions if (A) such dividend or distribution is permitted under all rules and regulations applicable to the Borrower or such Subsidiary, (B) no Default or Event of Default exists or would result from making such dividend or distribution and (C) the Borrower is in compliance with Section 8.21 hereof after giving effect to such dividend or distribution.

*Section 8.13. ERISA.* Holdings and the Borrower shall, and shall cause each of their Subsidiaries to, promptly pay and discharge all obligations and liabilities arising under ERISA of a character which if unpaid or unperformed could reasonably be expected to result in the imposition of a Lien against any of their Property. Holdings and the Borrower shall, and shall cause each of their Subsidiaries to, promptly notify Administrative Agent and each Lender of: (a) the occurrence of any reportable event (as defined in ERISA) with respect to a Plan, (b) receipt of any notice from the PBGC of its intention to seek termination of any Plan or appointment of a trustee therefor, (c) its intention to terminate or withdraw from any Plan, and (d) the occurrence of any event with respect to any Plan which would result in the incurrence by Holdings, the Borrower or any Subsidiary of any material liability, fine or penalty, or any material increase in the contingent liability of Holdings, the Borrower or any Subsidiary with respect to any post retirement Welfare Plan benefit.

*Section 8.14. Compliance with Laws; Compliance with Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions.* (a) Holdings and the Borrower shall, and shall cause each Subsidiary to, comply in all respects with the requirements of all federal, state, and local laws, rules, regulations, ordinances and orders (including but not limited to all Environmental Laws) applicable to or pertaining to its Property or business operations, where any such non-compliance, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect or result in a Lien upon any of its Property that is not expressly permitted pursuant to Section 8.8 hereof.

(b) Borrower shall at all times comply with the requirements of all Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions applicable to Borrower and shall cause each other Guarantor and each of its and their respective Subsidiaries to comply with the requirements of all Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions applicable to such Persons.

(c) Borrower shall provide Administrative Agent and the Lenders (i) any information regarding Holdings, the Borrower and each of their respective owners, Affiliates, and Subsidiaries necessary for Administrative and the Lenders to comply with all applicable Anti-Corruption Laws, Anti-Money Laundering Laws and Sanctions; subject however, in the case of Affiliates, to Borrower's ability to provide information applicable to them and (ii) without limiting the foregoing, notification of any change in the information provided in the Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified therein.

(d) Borrower will maintain in effect and enforce policies and procedures reasonably designed to ensure compliance by the Borrower, its Subsidiaries, and their respective directors, officers, employees and agents with applicable Anti-Corruption Laws, Anti Money-Laundering Laws and Sanctions.

*Section 8.15. Burdensome Contracts With Affiliates.* The Borrower shall not, nor shall it permit any Subsidiary to, enter into any contract, agreement or business arrangement with any of its Affiliates (other than with any Wholly-owned Subsidiary of the Borrower) on terms and conditions which are less favorable to the Borrower or such Subsidiary than would be usual and

customary in similar contracts, agreements or business arrangements between Persons not affiliated with each other.

*Section 8.16. No Changes in Fiscal Year.* The fiscal year of Holdings, the Borrower and the Subsidiaries ends on September 30 of each year; and neither Holdings nor the Borrower shall not, nor shall it permit any Subsidiary to, change its fiscal year from its present basis.

*Section 8.17. Formation of Subsidiaries.* Promptly upon the formation or acquisition of any Domestic Subsidiary, the Borrower shall provide the Administrative Agent and the Lenders notice thereof and timely comply with the requirements of Section 4 hereof (at which time Schedule 6.2 shall be deemed amended to include reference to such Subsidiary). In the event that any Subsidiary that is an Immaterial Subsidiary acquires assets in excess of \$500,000, then such Subsidiary no longer is an Immaterial Subsidiary and the Borrower shall promptly cause such Subsidiary to comply with the requirements of Section 4 hereof. The Borrower shall not, nor shall it permit any Subsidiary to, form or acquire any Foreign Subsidiary.

*Section 8.18. Change in the Nature of Business.* The Borrower shall not, nor shall it permit any Subsidiary to, engage in any business or activity if as a result the general nature of the business of the Borrower or any Subsidiary would be changed in any material respect from the general nature of the business engaged in by it as of the Closing Date; *provided*, that it shall not be a change in the general nature of the business if any Immaterial Subsidiary ceases operations, or any Subsidiary is merged with the Borrower or another Subsidiary, or is dissolved.

*Section 8.19. Use of Proceeds.* (a) The Borrower shall use the credit extended under this Agreement solely for the purposes set forth in, or otherwise permitted by, Section 6.4 hereof. None of the proceeds from the Loans shall be used to make any Adequate Assurance Deposit.

(b) The Borrower will not request any Loan, and the Borrower shall not use, and shall ensure that its Subsidiaries and Affiliates, and its or their respective directors, officers, employees and agents not use, the proceeds of any Loan, directly or indirectly, (i) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (ii) to fund, finance or facilitate any activities, business or transaction of or with any Sanctioned Person or in any Designated Jurisdiction, or (iii) in any other manner that would result in the violation of any Sanctions applicable to any party hereto.

*Section 8.20. No Restrictions.* Except as disclosed to the Lenders or as otherwise provided herein, the Borrower shall not, nor shall it permit any Subsidiary to, directly or indirectly create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction of any kind on the ability of the Borrower or any Subsidiary to: (a) pay dividends or make any other distribution on the Borrower's or any Subsidiary's capital stock or other equity interests owned by the Borrower or any other Subsidiary, (b) pay any indebtedness owed to the Borrower or any other Subsidiary, (c) make loans or advances to the Borrower or any other Subsidiary, (d) transfer any of its Property to the Borrower or any other Subsidiary, or (e) guarantee the Obligations as required by the Loan Documents.

*Section 8.21. Financial Covenants.* (a) *Tangible Net Worth.* The Borrower shall at all times maintain a Tangible Net Worth of at least \$460,000,000.

(b) *Maximum Net Loss.* The Borrower shall not, as of the last day of each calendar month, permit the Net Loss for the twelve calendar months then ended to exceed \$15,000,000.

(c) *Net Capital.* The Borrower's Excess Net Capital as set forth on line 3910 of the Borrower's FOCUS Part 2 shall not, at any time, be less than \$75,000,000.

*Section 8.22. Settlement and Clearing Accounts.* The Borrower shall maintain all of its accounts relating to its self-clearing activities with each Clearing House located in the United States or Canada with the Administrative Agent or one of the Affiliates.

## Section 9. Events of Default and Remedies.

*Section 9.1. Events of Default.* Any one or more of the following shall constitute an "Event of Default" hereunder:

(a) default in the payment when due of (i) all or any part of the principal of or interest on any Loan (whether at the stated maturity thereof or at any other time provided for in this Agreement) or (ii) of any fee or other Obligation payable hereunder or under any other Loan Document in each case under this clause (ii) within three (3) Business Days after the same shall become due and payable;

(b) default in the observance or performance of any covenant set forth in Sections 8.1 (solely with respect to the existence of the Borrower), 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;

(c) default in the observance or performance of any other provision hereof or of any other Loan Document which is not remedied within 30 days after the earlier of (i) the date on which such failure shall first become known to any officer of Holdings or the Borrower or (ii) written notice thereof is given to the Borrower by the Administrative Agent;

(d) any representation or warranty made herein or in any other Loan Document or in any certificate furnished to Administrative Agent or the Lenders pursuant hereto or thereto or in connection with any transaction contemplated hereby or thereby proves untrue in any respect (or in any material respect if such representation, warranty, certification or statement is not by its terms already qualified as to materiality) as of the date of the issuance or making or deemed making thereof;

(e) any event occurs or condition exists (other than those described in subsections (a) through (d) above) which is specified as an event of default under any of the other Loan Documents, or any of the Loan Documents shall for any reason not be or shall cease to be in full force and effect or is declared to be null and void, or any



Guarantor takes any action for the purpose of terminating, repudiating or rescinding any Loan Document executed by it or any of its obligations thereunder;

(f) default shall occur under any Indebtedness for Borrowed Money issued, assumed or guaranteed by Holdings, the Borrower or any Subsidiary aggregating in excess of \$10,000,000, or under any indenture, agreement or other instrument under which the same may be issued, and such default shall continue for a period of time sufficient to permit the acceleration of the maturity of any such Indebtedness for Borrowed Money (whether or not such maturity is in fact accelerated), or any such Indebtedness for Borrowed Money shall not be paid when due (whether by demand, lapse of time, acceleration or otherwise, and after giving effect to any cure or grace period with respect to such Indebtedness for Borrowed Money);

(g) any judgment or judgments, writ or writs or warrant or warrants of attachment, or any similar process or processes, shall be entered or filed against Holdings, the Borrower or any Subsidiary, or against any of their Property, in an aggregate amount in excess of \$10,000,000 (except to the extent fully covered by insurance pursuant to which the insurer has accepted liability therefor in writing), and which remains undischarged, unvacated, unbonded or unstayed for a period of 60 days;

(h) Holdings, the Borrower or any Subsidiary, or any member of its Controlled Group, shall fail to pay when due an amount or amounts aggregating in excess of \$10,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans having aggregate Unfunded Vested Liabilities in excess of \$10,000,000 (collectively, a "*Material Plan*") shall be filed under Title IV of ERISA by Holdings, the Borrower or any Subsidiary, or any other member of its Controlled Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any Material Plan against Holdings, the Borrower or any Subsidiary, or any member of its Controlled Group, to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within 30 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated;

(i) any Change of Control shall occur;

(j) Holdings, the Borrower or any Subsidiary shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) not pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its Property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts

under any law relating to bankruptcy, insolvency or reorganization or relief of debtors or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any action in furtherance of any matter described in parts (i) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 9.1(k) hereof;

(k) a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for any of Holdings, the Borrower or any Subsidiary, or any substantial part of any of its Property, or a proceeding described in Section 9.1(j)(v) shall be instituted against Holdings, the Borrower or any Subsidiary, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 60 days;

(l) the SIPA shall have applied for a decree adjudicating that customers of the Borrower are in need of protection under SIPA; or

(m) the membership of the Borrower on any commodities exchange or the status of the Borrower as a clearing member of any commodities exchange that has clearing members shall be terminated, revoked or suspended for any reason (other than the voluntary withdrawal by the Borrower from membership on any such exchange) or the registration of the Borrower as a futures commission merchant with the CFTC shall be suspended, revoked or terminated for any reason or the Borrower shall fail to comply with the minimum capital requirements of the CFTC and such failure to comply with the minimum capital requirements continues for five (5) Business Days.

*Section 9.2. Non-Bankruptcy Defaults.* When any Event of Default (other than those described in subsection (j) or (k) of Section 9.1 hereof with respect to the Borrower) has occurred and is continuing, the Administrative Agent shall, by written notice to the Borrower: (a) if so directed by the Required Lenders, terminate the remaining Commitments and all other obligations of the Lenders hereunder on the date stated in such notice (which may be the date thereof); and (b) if so directed by the Required Lenders, declare the principal of and the accrued interest on all outstanding Loans to be forthwith due and payable and thereupon all outstanding Loans, including both principal and interest thereon, shall be and become immediately due and payable together with all other amounts payable under the Loan Documents without further demand, presentment, protest or notice of any kind. The Administrative Agent, after giving notice to the Borrower pursuant to Section 9.1(c) or this Section 9.2, shall also promptly send a copy of such notice to the other Lenders, but the failure to do so shall not impair or annul the effect of such notice.

*Section 9.3. Bankruptcy Defaults.* When any Event of Default described in subsections (j) or (k) of Section 9.1 hereof with respect to the Borrower has occurred and is continuing, then all outstanding Loans shall immediately become due and payable together with all other amounts payable under the Loan Documents without presentment, demand, protest or notice of any kind, the obligation of the Lenders to extend further credit pursuant to any of the terms hereof shall immediately terminate.

*Section 9.4. Notice of Default.* The Administrative Agent shall give notice to the Borrower under Section 9.1(c) hereof promptly upon being requested to do so by any Lender and shall thereupon notify all the Lenders thereof.

#### Section 10. The Administrative Agent.

*Section 10.1. Appointment and Authorization of Administrative Agent.* Each Lender hereby appoints BMO Harris Bank N.A. as Administrative Agent under the Loan Documents and hereby authorizes Administrative Agent to take such action as Administrative Agent on its behalf and to exercise such powers under the Loan Documents as are delegated to Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto. It is understood and agreed that the use of the term “agent” herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable Law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties. Therefore, the Lenders expressly agree that Administrative Agent is not acting as a fiduciary of the Lenders in respect of the Loan Documents, Borrower or otherwise, and nothing herein or in any of the other Loan Documents shall result in any duties or obligations on Administrative Agent or any of the Lenders except as expressly set forth herein. Except as provided in Section 10.7, the provisions of this Article are solely for the benefit of the Administrative Agent, the Lenders, and the Borrower shall not have rights as a third-party beneficiary of any of such provisions.

*Section 10.2. Rights as a Lender.* The Person serving as the Administrative Agent hereunder shall have the same rights and powers in its capacity as a Lender as any other Lender and may exercise the same as though it were not the Administrative Agent, and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Administrative Agent hereunder in its individual capacity. Such Person and its Affiliates may accept deposits from, lend money to, own securities of, act as the financial advisor or in any other advisory capacity for, and generally engage in any kind of business with, the Borrower or any Subsidiary or other Affiliate thereof as if such Person were not the Administrative Agent hereunder and without any duty to account therefor to the Lenders.

*Section 10.3. Action by Administrative Agent.* The Administrative Agent shall not have any duties or obligations except those expressly set forth herein and in the other Loan Documents, and its duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Administrative Agent (a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default or an Event of Default has occurred and is continuing, (b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Loan Documents that the Administrative Agent is required to exercise as directed in writing by the Required Lenders (or such other number or percentage of the Lenders as shall be expressly provided for herein or in the other Loan Documents); *provided* that the Administrative Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or

applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under the United States Bankruptcy Code or that may effect a forfeiture, modification or termination of property of a Defaulting Lender in violation of the United States Bankruptcy Code and (c) shall not, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Borrower or any of its Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent shall in all cases be fully justified in failing or refusing to act hereunder or under any other Loan Document unless it first receives such advice or concurrence of the Required Lenders (or, if so specified by this Agreement, all or other Lenders) as it deems appropriate and any further assurances of its indemnification from the Lenders that it may require, including prepayment of any related expenses and any other protection it requires against any and all costs, expense, and liability which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Agreement and the other Loan Documents in accordance with a request of the Required Lenders (or, if so specified by this Agreement, all or other Lenders), and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Lenders and all future holders of the Loans.

*Section 10.4. Consultation with Experts.* Administrative Agent may consult with legal counsel (who may be counsel to the Borrower), independent public accountants, and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in accordance with the advice of such counsel, accountants or experts.

*Section 10.5. Liability of Administrative Agent; Credit Decision.* (a) Neither Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or not taken by it in connection with the Loan Documents: (i) with the consent or at the request of the Required Lenders or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and non-appealable judgment. The Administrative Agent shall be deemed not to have knowledge of any Default unless and until notice describing such Default is given to the Administrative Agent in writing by the Borrower, a Lender. Neither Administrative Agent nor any of its directors, officers, agents or employees shall be responsible for or have any duty to ascertain, inquire into or verify: (i) any statement, warranty or representation made in connection with this Agreement, any other Loan Document or any Credit Event; (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith; (iii) the performance or observance of any of the covenants or agreements of Borrower or any Subsidiary contained herein or in any other Loan Document; (iv) the satisfaction of any condition specified in Section 4, other than to confirm receipt of items expressly required to be delivered to the Administrative Agent; or (v) the validity, effectiveness, genuineness, enforceability, perfection, value, worth or collectability hereof or of any other Loan Document or of any other documents or writing furnished in connection with any Loan Document; and Administrative Agent makes no representation of any kind or character with respect to any such matter mentioned in this sentence.

(b) The Administrative Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, Internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Administrative Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. In determining compliance with any condition hereunder to the making of a Loan that by its terms must be fulfilled to the satisfaction of a Lender, the Administrative Agent may presume that such condition is satisfactory to such Lender unless the Administrative Agent shall have received notice to the contrary from such Lender prior to the making of such Loan. In particular and without limiting any of the foregoing, Administrative Agent shall have no responsibility for confirming the accuracy of any compliance certificate or other document or instrument received by it under the Loan Documents. Administrative Agent may treat the payee of any Obligation as the holder thereof until written notice of transfer shall have been filed with Administrative Agent signed by such payee in form satisfactory to Administrative Agent. Each Lender acknowledges that it has independently and without reliance on Administrative Agent or any other Lender (or any of their Related Parties), and based upon such information, investigations and inquiries as it deems appropriate, made its own credit analysis and decision to extend credit to Borrower in the manner set forth in the Loan Documents. It shall be the responsibility of each Lender to keep itself informed as to the creditworthiness of the Borrower and its Subsidiaries, and Administrative Agent shall have no liability to any Lender with respect thereto.

*Section 10.6. Indemnity.* To the extent that the Borrower for any reason fails to indefeasibly pay any amount required under Section 12.15 to be paid by it to the Administrative Agent (or any sub-agent thereof), the Swing Line Lender or any Related Party of any of the foregoing, each Lender severally agrees to pay to the Administrative Agent (or any such sub-agent), the Swing Line Lender or such Related Party, as the case may be, such Lender's pro rata share (determined as of the time that the applicable unreimbursed expense or indemnity payment is sought based on each Lender's applicable Percentage at such time) of such unpaid amount (including any such unpaid amount in respect of a claim asserted by such Lender); *provided* that the unreimbursed expense or indemnified loss, claim, damage, liability or related expense, as the case may be, was incurred by or asserted against the Administrative Agent (or any such sub-agent the Swing Line Lender in its capacity as such, or against any Related Party of any of the foregoing acting for the Administrative Agent (or any such sub-agent) or the Swing Line Lender in connection with such capacity. The obligations of the Lenders under this Section shall survive termination of this Agreement. Administrative Agent shall be entitled to offset amounts received for the account of a Lender under this Agreement against unpaid amounts due from such Lender to Administrative Agent or the Swing Line Lender hereunder (whether as fundings of participations, indemnities or otherwise, and with any amounts offset for the benefit of Administrative Agent to be held by it for its own account and with any amounts offset for the benefit of the Swing Line Lender to be remitted by Administrative Agent to or for the account of the Swing Line Lender), but shall not be entitled to offset against amounts owed to Administrative Agent or the Swing Line Lender by any Lender arising outside of this Agreement and the other Loan Documents.

*Section 10.7. Resignation of Administrative Agent and Successor Administrative Agent.* Administrative Agent may resign at any time by giving written notice thereof to the Lenders and Borrower. Upon any such resignation of Administrative Agent, the Required Lenders shall have the right, in consultation with the Borrower, to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment within 30 days after the retiring Administrative Agent's giving of notice of resignation (or such earlier day as shall be agreed by the Required Lenders) (the "*Resignation Effective Date*") then the retiring Administrative Agent may (but shall not be obligated to), on behalf of the Lenders, appoint a successor Administrative Agent, which may be any Lender hereunder or any commercial bank, or an Affiliate of a commercial bank, having an office in the United States of America and having a combined capital and surplus of at least \$200,000,000; *provided*, that in no event shall any such successor Administrative Agent be a Defaulting Lender or Disqualified Lender. With effect from the Resignation Effective Date (a) the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under the other Loan Documents (except that in the case of any collateral security held by the Administrative Agent on behalf of the Lenders under any of the Loan Documents, the retiring or removed Administrative Agent shall continue to hold such collateral security until such time as a successor Administrative Agent is appointed) and (ii) except for any indemnity payments owed to the retiring Administrative Agent, all payments, communications and determinations provided to be made by, to or through the Administrative Agent shall instead be made by or to each Lender directly, until such time, if any, as the Required Lenders appoint a successor Administrative Agent as provided for above. Upon the acceptance of its appointment as Administrative Agent hereunder, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights and duties of the retiring Administrative Agent under the Loan Documents. The fees payable by the Borrower to a successor Administrative Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Section 10 and all protective provisions of the other Loan Documents shall continue in effect for the benefit of such retiring or removed Administrative Agent, its sub-agents and their respective Related Parties in respect of any actions taken or omitted to be taken by any of them while the retiring or removed Administrative Agent was acting as Administrative Agent.

*Section 10.8. Swing Line Lender.* The Swing Line Lender shall act on behalf of the Lenders with respect to the Swing Loans made hereunder. The Swing Line Lender shall each have all of the benefits and immunities (i) provided to Administrative Agent in this Section 10 with respect to any acts taken or omissions suffered by the Swing Line Lender in connection with Swing Loans made or to be made hereunder as fully as if the term "Administrative Agent", as used in this Section 10, included the Swing Line Lender with respect to such acts or omissions and (ii) as additionally provided in this Agreement with respect to the Swing Line Lender.

*Section 10.9. Designation of Additional Agents.* The Administrative Agent shall have the continuing right, for purposes hereof, at any time and from time to time to designate one or more of the Lenders (and/or its or their Affiliates) as "syndication agents," "documentation agents," "book runners," "lead arrangers," "arrangers," or other designations for purposes hereto, but such

designation shall have no substantive effect, and such Lenders and their Affiliates shall have no additional powers, duties or responsibilities as a result thereof.

*Section 10.10. Delegation of Duties.* The Administrative Agent may perform any and all of its duties and exercise its rights and powers hereunder or under any other Loan Document by or through any one or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of this Article shall apply to any such sub-agent and to the Related Parties of the Administrative Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the Credits as well as activities as Administrative Agent. The Administrative Agent shall not be responsible for the negligence or misconduct of any sub-agents except to the extent that a court of competent jurisdiction determines in a final and nonappealable judgment that the Administrative Agent acted with gross negligence or willful misconduct in the selection of such sub-agents.

*Section 10.11. Administrative Agent may File Proofs of Claim.* In case of the pendency of any proceeding under the United States Bankruptcy Code that the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on the Borrower) shall be entitled and empowered (but not obligated) by intervention in such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the Administrative Agent allowed in such judicial proceeding; and

(b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender to make such payments to the Administrative Agent and, in the event that the Administrative Agent shall consent to the making of such payments directly to the Lenders, to pay to the Administrative Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Administrative Agent and its agents and counsel, and any other amounts due the Administrative Agent under Sections 3.11 and 12.15.

Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender to authorize the Administrative Agent to vote in respect of the claim of any Lender in any such proceeding.

*Section 10.12. Certain ERISA Matters.* (a) Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Sole Lead Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of Holdings, the Borrower or any Guarantor, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of 29 CFR § 2510.3-101, as modified by Section 3(42) of ERISA) of one or more Plans in connection with the Loans, the Commitments or this Agreement;

(ii) the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement;

(iii) (A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender, the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement; or

(iv) such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b) In addition, unless sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or such Lender has not provided another representation, warranty and covenant as provided in sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent, the Sole Lead Arranger and their respective Affiliates, and not, for the avoidance of doubt, to or for the benefit of Holdings, the Borrower or any Subsidiary, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender’s entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the



Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

*Section 10.13. Recovery of Erroneous Payments.* Notwithstanding anything to the contrary in this Agreement, if at any time Administrative Agent determines (in its sole and absolute discretion) that it has made a payment hereunder in error to any Lender or the Swing Line Lender, whether or not in respect of an Obligation due and owing by the Borrower at such time, where such payment is a Rescindable Amount, then in any such event, each such Person receiving a Rescindable Amount severally agrees to repay to Administrative Agent forthwith on demand the Rescindable Amount received by such Person in immediately available funds in the currency so received, with interest thereon, for each day from and including the date such Rescindable Amount is received by it to but excluding the date of payment to Administrative Agent, at the greater of the Federal Funds Rate and a rate determined by Administrative Agent in accordance with banking industry rules on interbank compensation. Each Lender and the Swing Line Lender irrevocably waives any and all defenses, including any “discharge for value” (under which a creditor might otherwise claim a right to retain funds mistakenly paid by a third party in respect of a debt owed by another), “good consideration”, “change of position” or similar defenses (whether at law or in equity) to its obligation to return any Rescindable Amount. Administrative Agent shall inform each Lender or the Swing Line Lender that received a Rescindable Amount promptly upon determining that any payment made to such Person comprised, in whole or in part, a Rescindable Amount. Each Person’s obligations, agreements and waivers under this Section 10.13 shall survive the resignation or replacement of the Administrative Agent, any transfer of rights or obligations by, or the replacement of, a Lender or the Swing Line Lender, the termination of the Commitments and/or the repayment, satisfaction or discharge of all Obligations (or any portion thereof) under any Loan Document.

#### Section 11. The Guarantees.

*Section 11.1. The Guarantees.* To induce the Lenders to provide the credits described herein and in consideration of benefits expected to accrue to Borrower by reason of the Commitments and for other good and valuable consideration, receipt of which is hereby acknowledged, each Guarantor (including any Guarantor executing an Additional Guarantor Supplement in the form attached hereto as Exhibit D or such other form acceptable to Administrative Agent) hereby unconditionally and irrevocably guarantees jointly and severally to Administrative Agent, the Lenders and their Affiliates, the due and punctual payment of all present and future Obligations, including, but not limited to, the due and punctual payment of principal of and interest on the Loans, and the due and punctual payment and performance of all other Obligations now or hereafter owed by the Borrower and the Guarantors under the Loan Documents, in each case as and when the same shall become due and payable, whether at stated maturity, by acceleration, or otherwise, according to the terms hereof and thereof (including all interest, costs, fees, and charges after the entry of an order for relief against the Borrower or any Guarantor or such other obligor in a case under the United States Bankruptcy Code or any similar proceeding, whether or not such interest, costs, fees and charges would be an allowed claim against the Borrower or such Guarantor or any such obligor in any such proceeding) (collectively, the “*Guaranteed Obligations*”).

*Section 11.2. Guarantee Unconditional.* The obligations of each Guarantor under this Section 11 shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged, or otherwise affected by:

(a) any extension, renewal, settlement, compromise, waiver, or release in respect of any obligation of any Guarantor or other obligor or of any other guarantor under this Agreement or any other Loan Document or by operation of law or otherwise;

(b) any modification or amendment of or supplement to this Agreement or any other Loan Document or any agreement relating to any Guaranteed Obligations;

(c) any change in the corporate existence, structure, or ownership of, or any insolvency, bankruptcy, reorganization, or other similar proceeding affecting, the Borrower or any Guarantor or other obligor, any other guarantor, or any of their respective assets, or any resulting release or discharge of any obligation of the Borrower or any Guarantor or other obligor or of any other guarantor contained in any Loan Document;

(d) the existence of any claim, set off, or other rights which the Borrower, any Guarantor or other obligor or any other guarantor may have at any time against Administrative Agent, any Lender, or any other Person, whether or not arising in connection herewith;

(e) any failure to assert, or any assertion of, any claim or demand or any exercise of, or failure to exercise, any rights or remedies against the Borrower, any Guarantor or other obligor, any other guarantor, or any other Person or Property;

(f) any application of any sums by whomsoever paid or howsoever realized to any obligation of any Guarantor or other obligor, regardless of what obligations of Borrower or other obligor remain unpaid;

(g) any invalidity or unenforceability relating to or against the Borrower, any Guarantor or other obligor or any other guarantor for any reason of this Agreement or of any other Loan Document or any agreement relating to any Guaranteed Obligations or any provision of applicable law or regulation purporting to prohibit the payment by any Guarantor or other obligor or any other guarantor of the principal of or interest on any Loan or any other amount payable under the Loan Documents or any agreement relating to any Guaranteed Obligations; or

(h) any other act or omission to act or delay of any kind by Administrative Agent, any Lender or any other Person or any other circumstance whatsoever that might, but for the provisions of this paragraph, constitute a legal or equitable discharge of the obligations of any Guarantor under this Section 11.

*Section 11.3. Discharge Only upon Payment in Full; Reinstatement in Certain Circumstances.* Until such time as Payment in Full occurs, each Guarantor's obligations under

this Section 11 shall remain in full force and effect. If at any time any payment of any Guaranteed Obligations is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy, or reorganization of Borrower or other obligor or of any guarantor, or otherwise, each Guarantor's obligations under this Section 11 with respect to such payment shall be reinstated at such time as though such payment had become due but had not been made at such time.

*Section 11.4. Subrogation.* Until such time as Payment in Full occurs, each Guarantor agrees it will not exercise any rights which it may acquire by way of subrogation by any payment made hereunder, or otherwise. If any amount shall be paid to a Guarantor on account of such subrogation rights at any time prior to Payment in Full occurring, such amount shall be held in trust for the benefit of Administrative Agent and the Lenders and shall forthwith be paid to Administrative Agent for the benefit of the Lenders or be credited and applied to the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms of this Agreement.

*Section 11.5. Waivers.* Each Guarantor irrevocably waives acceptance hereof, presentment, demand, protest, and any notice not provided for herein, as well as any requirement that at any time any action be taken by Administrative Agent, any Lender, or any other Person against the Borrower or any Guarantor or other obligor, another guarantor, or any other Person.

*Section 11.6. Limit on Recovery.* Notwithstanding any other provision of this Section 11, the amount guaranteed by each Guarantor hereunder shall be limited to the extent, if any, required so that its obligations hereunder shall not be subject to avoidance under Section 548 of the Bankruptcy Code or under any applicable state Uniform Fraudulent Transfer Act, Uniform Fraudulent Conveyance Act, Uniform Voidable Transactions Act or similar statute or common law. In determining the limitations, if any, on the amount of any Guarantor's obligations hereunder pursuant to the preceding sentence, it is the intention of the parties hereto that any rights of subrogation, indemnification or contribution which such Guarantor may have under this Section 11, any other agreement or applicable law shall be taken into account.

*Section 11.7. Contribution.* (a) To the extent that any Guarantor shall make a payment under this Section 11 (a "Guarantor Payment") which, taking into account all other Guarantor Payments then previously or concurrently made by any other Guarantor, exceeds the amount which otherwise would have been paid by or attributable to such Guarantor if each Guarantor had paid the aggregate Guaranteed Obligations satisfied by such Guarantor Payment in the same proportion as such Guarantor's "Allocable Amount" (as defined below) (as determined immediately prior to such Guarantor Payment) bore to the aggregate Allocable Amounts of each of the Guarantors as determined immediately prior to the making of such Guarantor Payment, then, following indefeasible payment in full in cash of the Guarantor Payment and the occurrence of the Payment in Full, such Guarantor shall be entitled to receive contribution and indemnification payments from, and be reimbursed by, each other Guarantor for the amount of such excess, pro rata based upon their respective Allocable Amounts in effect immediately prior to such Guarantor Payment.

(b) As of any date of determination, the "Allocable Amount" of any Guarantor shall be equal to the excess of the fair saleable value of the property of such Guarantor over the total

liabilities of such Guarantor (including the maximum amount reasonably expected to become due in respect of contingent liabilities, calculated, without duplication, assuming each other Guarantor that is also liable for such contingent liability pays its ratable share thereof), giving effect to all payments made by other Guarantors as of such date in a manner to maximize the amount of such contributions.

(c) This Section 11.7 is intended only to define the relative rights of the Guarantors, and nothing set forth in this Section 11.7 is intended to or shall impair the obligations of the Guarantors, jointly and severally, to pay any amounts as and when the same shall become due and payable in accordance with the terms of this Section 11.

(d) The parties hereto acknowledge that the rights of contribution and indemnification hereunder shall constitute assets of the Guarantor or Guarantors to which such contribution and indemnification is owing.

(e) The rights of the indemnifying Guarantors against other Guarantors under this Section 11.7 shall only be exercisable upon the occurrence of Payment in Full.

*Section 11.8. Stay of Acceleration.* If acceleration of the time for payment of any amount payable by the Borrower, any Guarantor or other obligor under this Agreement or any other Loan Document, or under any agreement relating to the Guaranteed Obligations, is stayed upon the insolvency, bankruptcy or reorganization of the Borrower, such Guarantor or such obligor, all such amounts otherwise subject to acceleration under the terms of this Agreement or the other Loan Documents, or under any agreement relating to the Guaranteed Obligations, shall nonetheless be payable by the Guarantors hereunder forthwith on demand by Administrative Agent made at the request of the Required Lenders.

*Section 11.9. Benefit to Guarantors.* The Guarantors are engaged in related businesses and integrated to such an extent that the financial strength and flexibility of each Guarantor has a direct impact on the success of each other Guarantor. Each Guarantor will derive substantial direct and indirect benefit from the extensions of credit hereunder.

*Section 11.10. Guarantor Covenants.* Each Guarantor shall take such action as Borrower is required by this Agreement to cause such Guarantor to take, and shall refrain from taking such action as Borrower is required by this Agreement to prohibit such Guarantor from taking.

## Section 12. Miscellaneous.

### *Section 12.1. Withholding Taxes.*

(a) *Defined Terms.* For purposes of this Section, the term “Legal Requirement” includes FATCA.

(b) *Payments Free of Taxes.* Any and all payments by or on account of any obligation of the Borrower under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by the applicable Legal Requirement. If any Legal Requirement

(as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with the applicable Legal Requirement and, if such Tax is an Indemnified Tax, then the sum payable by the Borrower shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c) *Payment of Other Taxes by Borrower.* The Borrower shall timely pay to the relevant Governmental Authority in accordance with the applicable Legal Requirement, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d) *Indemnification by Borrower.* The Borrower shall indemnify each Recipient, within 10 days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e) *Indemnification by the Lenders.* Each Lender shall severally indemnify the Administrative Agent, within 10 days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that the Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrower to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 12.1 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this paragraph (e).

(f) *Evidence of Payments.* As soon as practicable after any payment of Taxes by the Borrower to a Governmental Authority pursuant to this Section, the Borrower shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g) *Status of Lenders.* (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Borrower and the Administrative Agent, at the time or times reasonably requested by the Borrower or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Borrower or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Borrower or the Administrative Agent, shall deliver such other documentation prescribed by any Legal Requirement or reasonably requested by the Borrower or the Administrative Agent as will enable the Borrower or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in paragraphs (A), (B) and (D) of Section 12.1(g)(ii)) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii) Without limiting the generality of the foregoing, in the event that the Borrower is a U.S. Borrower,

(A) any Lender that is a U.S. Person shall deliver to the Borrower and the Administrative Agent on or about the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), whichever of the following is applicable:

(1) in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States is a party (x) with respect to payments of interest under any Loan Document, executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(2) executed copies of IRS Form W-8ECI;

(3) in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit B-1 to the effect that such Foreign Lender is not a “bank” within the meaning of Section 881(c)(3)(A) of the Code, a “10 percent shareholder” of the Borrower within the meaning of Section 871(h)(3)(B) of the Code, or a “controlled foreign corporation” related to the Borrower as described in Section 881(c)(3)(C) of the Code (a “U.S. Tax Compliance Certificate”) and (y) executed copies of IRS Form W-8BEN or IRS Form W-8BEN-E; or

(4) to the extent a Foreign Lender is not the beneficial owner, executed copies of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit B-2 or Exhibit B-3, IRS Form W-9, or other certification documents from each beneficial owner, as applicable; provided that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit B-4 on behalf of each such direct and indirect partner;

(C) any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or about the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Borrower or the Administrative Agent), executed copies of any other form prescribed by Applicable Law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by Applicable Law to permit the Borrower or the Administrative Agent to determine the withholding or deduction required to be made; and

(D) if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Borrower and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Borrower or the Administrative Agent such documentation prescribed by Applicable Law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Borrower or the Administrative Agent as may be necessary for the Borrower and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender’s obligations under FATCA or to determine the amount, if any, to deduct and withhold from such payment. Solely for purposes of this clause (D), “FATCA” shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Borrower and the Administrative Agent in writing of its legal inability to do so.

(h) *Treatment of Certain Refunds.* If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this paragraph (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this paragraph (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this paragraph (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification and giving rise to such refund had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts with respect to such Tax had never been paid. This paragraph shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) *Survival.* Each party's obligations under this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments, the expiration or cancellation of all Letters of Credit and the repayment, satisfaction or discharge of all obligations under any Loan Document.

*Section 12.2. No Waiver, Cumulative Remedies.* No delay or failure on the part of Administrative Agent or any Lender, or on the part of the holder or holders of any of the Obligations, in the exercise of any power or right under any Loan Document shall operate as a waiver thereof or as an acquiescence in any default, nor shall any single or partial exercise of any power or right preclude any other or further exercise thereof or the exercise of any other power or right. The rights and remedies hereunder of Administrative Agent, the Lenders, and of the holder or holders of any of the Obligations are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have.

*Section 12.3. Non-Business Days.* If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment shall be extended to the next succeeding Business Day on which date such payment shall be due and payable. In the case of any payment of principal falling due on a day which is not a Business Day, interest on such principal amount shall continue to accrue during such extension at the rate per annum then in



effect, which accrued amount shall be due and payable on the next scheduled date for the payment of interest.

*Section 12.4. Time is of the Essence .* Time is of the essence of this Agreement and each of the other Loan Documents.

*Section 12.5. Survival of Representations.* All representations and warranties made herein or in any other Loan Document or in certificates given pursuant hereto or thereto shall survive the execution and delivery of this Agreement and the other Loan Documents, and shall continue in full force and effect with respect to the date as of which they were made as long as any credit is in use or available hereunder.

*Section 12.6. Survival of Indemnities.* All indemnity provisions and other provisions relative to reimbursement to the Lenders of amounts sufficient to protect the yield of the Lenders with respect to the Loans shall survive Payment in Full, and shall remain in force beyond the expiration of any applicable statute of limitations and payment or satisfaction in full of any single claim thereunder. All such indemnity and other provisions shall be binding upon the successors and assigns of the Borrower and each Guarantor and shall inure to the benefit of each applicable Indemnitee and its successors and assigns.

*Section 12.7. Sharing of Set-Off.* Each Lender agrees with each other Lender a party hereto that if such Lender shall receive and retain any payment, whether by set off or application of deposit balances or otherwise, on any of the Loans in excess of its ratable share of payments on all such Obligations then outstanding to the Lenders, then such Lender shall purchase for cash at face value, but without recourse, ratably from each of the other Lenders such amount of the Loans, or participations therein, held by each such other Lenders (or interest therein) as shall be necessary to cause such Lender to share such excess payment ratably with all the other Lenders; *provided*, that if any such purchase is made by any Lender, and if such excess payment or part thereof is thereafter recovered from such purchasing Lender, the related purchases from the other Lenders shall be rescinded ratably and the purchase price restored as to the portion of such excess payment so recovered, but without interest.

*Section 12.8. Notices.* Except as otherwise specified herein, all notices hereunder and under the other Loan Documents shall be in writing (including notice by telecopy) and shall be given to the relevant party at its address or telecopier number set forth below, or such other address or telecopier number as such party may hereafter specify by notice to Administrative Agent and Borrower given by courier, by United States certified or registered mail, by email or by other telecommunication device capable of creating a written record of such notice and its receipt. Notices under the Loan Documents to any Lender shall be addressed to its address or telecopier number set forth on its Administrative Questionnaire; and notices under the Loan Documents to Holdings, the Borrower, any Guarantor, Administrative Agent shall be addressed to its respective address or telecopier number set forth below:

to the Borrower or any Guarantor:

StoneX Financial Inc.  
1251 NW Briarcliff Parkway, Suite 800  
Kansas City, Missouri 64116  
Attention: Bill Dunaway  
Telephone: (816) 410-7129  
Email: Bill.Dunaway@StoneX.com  
Telecopy: (816) 410-7450

to the Administrative Agent:

BMO Harris Bank N.A.  
320 S. Canal Street  
Chicago, Illinois 60606  
Attention: Futures and Securities Division  
Telephone: (312) 461-2491  
Email: Krupa.tantuwaya@bmo.com

Each such notice, request or other communication shall be effective (i) if given by mail, 5 days after such communication is deposited in the mail, certified or registered with return receipt requested, addressed as aforesaid or (ii) if given by any other means, when delivered at the addresses specified in this Section or in the relevant Administrative Questionnaire; *provided* that any notice given pursuant to Section 2 shall be effective only upon receipt.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; *provided* that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c) Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(d) The Borrower agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the other Lenders by posting the Communications on the Platform.

(e) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent

or any of its Related Parties (collectively, the “*Agent Parties*”) have any liability to the Borrower, any Lender or any other Person or entity for damages of any kind, including direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of the Borrower’s or the Administrative Agent’s transmission of communications through the Platform. “*Communications*” means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of the Borrower pursuant to any Loan Document or the transactions contemplated therein that is distributed to the Administrative Agent, any Lender by means of electronic communications pursuant to this Section, including through the Platform.

*Section 12.9. Counterparts.* This Agreement may be executed in any number of counterparts, and by the different parties hereto on separate counterpart signature pages, each of which shall constitute an original, and all such counterparts taken together shall be deemed to constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by telecopy, emailed .pdf or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement and such counterpart shall be deemed to be an original hereof.

*Section 12.10. Successors and Assigns.* This Agreement shall be binding upon Holdings, the Borrower and the Guarantors and their successors and assigns, and shall inure to the benefit of Administrative Agent and each of the Lenders, and their respective successors and permitted assigns. Holdings, the Borrower and the Guarantors may not assign any of their rights or obligations under any Loan Document without the written consent of all of the Lenders. Nothing contained in Section 12.10 shall affect the provisions set forth in Section 12.12.

*Section 12.11. Participants.* Any Lender may at any time, without the consent of, or notice to, the Borrower or the Administrative Agent, sell participations to any Person (other than a natural Person, or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person, or the Borrower or any of the Borrower’s Affiliates or Subsidiaries) (each, a “*Participant*”) in all or a portion of such Lender’s rights and/or obligations under this Agreement (including all or a portion of its Commitment and/or the Loans owing to it); *provided* that (i) such Lender’s obligations under this Agreement shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the Borrower, the Administrative Agent and Lenders shall continue to deal solely and directly with such Lender in connection with such Lender’s rights and obligations under this Agreement, and (iv) no participation shall be sold to a Defaulting Lender, any natural person or any Disqualified Lender. For the avoidance of doubt, each Lender shall be responsible for the indemnity under Section 10.6 with respect to any payments made by such Lender to its Participant(s). Any agreement or instrument pursuant to which a Lender sells such a participation shall provide that such Lender shall retain the sole right to enforce this Agreement and to approve any amendment, modification or waiver of any provision of this Agreement; *provided* that such agreement or instrument may provide that such Lender will not, without the consent of the Participant, agree to any amendment, modification or waiver described in the proviso of Section 12.13 that affects such Participant. Each Lender that sells a participation agrees, at the Borrower’s request and expense, to use reasonable efforts to cooperate with the Borrower to effectuate the provisions of Section 1.11 with respect to any Participant. To the

extent permitted by law, each Participant also shall be entitled to the benefits of Section 12.16 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 12.7 as though it were a Lender. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrower, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the "*Participant Register*"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

*Section 12.12. Assignments.* (a) Any Lender may at any time assign to one or more Eligible Assignees all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it); *provided* that any such assignment shall be subject to the following conditions:

(i) *Minimum Amounts.* (A) In the case of an assignment of the entire remaining amount of the assigning Lender's Commitment and the Loans at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and (B) in any case not described in subsection (a)(i)(A) of this Section, the aggregate amount of the Commitment (which for this purpose includes Loans outstanding thereunder) or, if the applicable Commitment is not then in effect, the principal outstanding balance of the Loans of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to Administrative Agent or, if "Effective Date" is specified in the Assignment and Acceptance, as of the Effective Date) shall not be less than \$5,000,000, unless each of Administrative Agent and, so long as no Event of Default has occurred and is continuing, Borrower otherwise consents (each such consent not to be unreasonably withheld or delayed);

(ii) *Proportionate Amounts.* Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Commitment assigned.

(iii) *Required Consents.* No consent shall be required for any assignment except to the extent required by Section 12.12(a)(i)(B) and, in addition:

(b) the consent of the Borrower (such consent not to be unreasonably withheld or delayed) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that Borrower shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to Administrative Agent within five (5) Business Days after having received notice thereof;

(c) the consent of Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments in respect of if such assignment is to a Person that is not a Lender with a Commitment, an Affiliate of such Lender or an Approved Fund with respect to such Lender; and

(d) the consent of the Swing Line Lender (such consent not to be unreasonably withheld or delayed).

(iv) *Assignment and Acceptance.* The parties to each assignment shall execute and deliver to Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of \$3,500 (*provided* that the Administrative Agent may, in its sole discretion, elect to waive such processing and recordation fee in the case of any assignment) and the assignee, if it is not a Lender, shall deliver to Administrative Agent an Administrative Questionnaire.

(v) *No Assignment to Certain Persons.* No such assignment shall be made to (A) Holdings, the Borrower or any of Holdings' or the Borrower's Affiliates or Subsidiaries, (B) to any Defaulting Lender or any of its Subsidiaries, or any Person who, upon becoming a Lender hereunder, would constitute a Defaulting Lender or a Subsidiary thereof, or (C) in the absence of any Event of Default under Section 9.1(a), (j) or (k) above, to any Disqualified Lender.

(vi) *No Assignment to Natural Persons.* No such assignment shall be made to a natural person (or a holding company, investment vehicle or trust for, or owned and operated for the primary benefit of, a natural Person).

(vii) *Certain Additional Payments.* In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment, purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Borrower and the Administrative Agent, the applicable pro rata share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, the Swing Line Lender and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full pro rata share of all Loans and participations in Swing

Line Loans in accordance with its Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by Administrative Agent pursuant to Section 12.12(f), from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 12.6 and 12.15 with respect to facts and circumstances occurring prior to the effective date of such assignment. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 12.11.

(f) *Register.* Administrative Agent, acting solely for this purpose as an agent of Borrower, shall maintain at one of its offices in Chicago, Illinois, a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitments of, and principal amounts of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the "*Register*"). The entries in the Register shall be conclusive, and Borrower, Administrative Agent, and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by Borrower and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(g) Any Lender may at any time pledge or grant a security interest in all or any portion of its rights under this Agreement (other than to a Disqualified Lender) to secure obligations of such Lender, including any such pledge or grant to a Federal Reserve Board, and this Section shall not apply to any such pledge or grant of a security interest; *provided* that no such pledge or grant of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or secured party for such Lender as a party hereto; *provided further*, however, the right of any such pledgee or grantee (other than any Federal Reserve Board) to further transfer all or any portion of the rights pledged or granted to it, whether by means of foreclosure or otherwise, shall be at all times subject to the terms of this Agreement.

(h) Notwithstanding anything to the contrary herein, if at any time the Swing Line Lender assigns all of its Commitments and Revolving Loans pursuant to subsection (a) above, the Swing Line Lender may terminate the Swing Line. In the event of such termination of the Swing Line, Borrower shall be entitled to appoint another Lender to act as the successor Swing Line Lender hereunder (with such Lender's consent); *provided*, that the failure of Borrower to

appoint a successor shall not affect the resignation of the Swing Line Lender. If the Swing Line Lender terminates the Swing Line, it shall retain all of the rights of the Swing Line Lender provided hereunder with respect to Swing Loans made by it and outstanding as of the effective date of such termination, including the right to require Lenders to make Revolving Loans or fund participations in outstanding Swing Loans pursuant to Section 1.5.

*Section 12.13. Amendments.* Any provision of this Agreement or the other Loan Documents may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by (a) Borrower, (b) the Required Lenders, and (c) the Administrative Agent (or by the Borrower and the Administrative Agent with the consent of the Required Lenders), and each such amendment or waiver shall be effective only in the specific instance and for the specific purpose for which given; *provided* that no such amendment or waiver shall:

(i) no amendment or waiver pursuant to this Section 12.13 shall (A) increase any Commitment of any Lender without the consent of such Lender or (B) reduce the amount of or postpone the date for any scheduled payment of any principal of or interest on any Loan or of any fee payable hereunder without the consent of the Lender to which such payment is owing or which has committed to make such Loan hereunder;

(ii) postpone any date scheduled for any payment of principal of, or interest on, any Loan, or any fees or other amounts payable hereunder or under any other Loan Document, or reduce the amount of, waive or excuse any such payment, without the written consent of each Lender directly and adversely affected thereby;

(iii) no amendment or waiver pursuant to this Section 12.13 shall, unless signed by each Lender, change the definition of Required Lenders, change the provisions of this Section 12.13, release any material guarantor (except as otherwise provided for in the Loan Documents), or affect the number of Lenders required to take any action hereunder or under any other Loan Document;

(iii) no amendment to Section 11 hereof shall be made without the consent of the Guarantor(s) affected thereby; and

(iv) change Section 3.1 or Section 12.7 in a manner that would alter the pro rata sharing of payments required thereby without the written consent of each Lender directly and adversely affected thereby.

*provided, further,* that no such amendment or waiver shall amend, modify or otherwise affect the rights or duties hereunder or under any other Loan Document of (A) the Administrative Agent, unless in writing executed by the Administrative Agent, or (B) the Swing Line Lender, unless in writing executed by the Swing Line Lender, in each case in addition to the Borrower and the Lenders required above.

Notwithstanding anything herein to the contrary, no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent that by its terms requires the consent of all the Lenders or each

affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders, except that (x) the Commitment of any Defaulting Lender may not be increased or extended, or the maturity of any of its Loan may not be extended, the rate of interest on any of its Loans may not be reduced and the principal amount of any of its Loans may not be forgiven, in each case without the consent of such Defaulting Lender and (y) any amendment, waiver or consent requiring the consent of all the Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than the other affected Lenders shall require the consent of such Defaulting Lender.

In addition, notwithstanding anything in this Section to the contrary, (i) if the Administrative Agent and the Borrower shall have jointly identified an obvious error or any error or omission of a technical nature, in each case, in any provision of the Loan Documents, or (ii) the Administrative Agent, with the consent of the Borrower, agrees to make technical and conforming modifications to the Loan Documents to the extent necessary to integrate any Increased Commitments on substantially the same basis as the Loans, then the Administrative Agent and the Borrower shall be permitted to amend such provision, and, in each case, such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders to the Administrative Agent within ten Business Days following receipt of notice thereof.

*Section 12.14. Headings.* Section headings used in this Agreement are for reference only and shall not affect the construction of this Agreement.

*Section 12.15. Costs and Expenses; Indemnification.* The Borrower and each Guarantor agrees to pay all reasonable and documented out-of-pocket costs and expenses of Administrative Agent in connection with the preparation, negotiation, syndication, and administration of the Loan Documents, including the reasonable fees and disbursements of counsel to Administrative Agent, in connection with the preparation and execution of the Loan Documents and in connection with the transactions contemplated hereby or thereby, and any amendment, waiver or consent related thereto, whether or not the transactions contemplated herein are consummated, together with any fees and charges suffered or incurred by Administrative Agent in connection with periodic environmental audits, fixed asset appraisals, title insurance policies, collateral filing fees and lien searches. The Borrower and each Guarantor agrees to pay to Administrative Agent and each Lender, and any other holder of any Obligations outstanding hereunder, all reasonable and documented out-of-pocket costs and expenses incurred or paid by Administrative Agent, such Lender, or any such holder, including reasonable attorneys' fees and disbursements and court costs, in connection with any Default or Event of Default hereunder or in connection with the enforcement of any of the Loan Documents (including all such costs and expenses incurred in connection with any proceeding under the United States Bankruptcy Code involving Borrower or any Guarantor as a debtor thereunder); *provided*, that attorney's fees shall be limited to one counsel for all Lenders and the Administrative Agent, and, if necessary, of one local counsel for all Lenders and the Administrative Agent in each applicable jurisdiction (which may include a single special counsel acting in multiple jurisdictions for all Lenders and the Administrative Agent), and, solely in the case of an actual conflict of interest, one additional counsel in each applicable jurisdiction to the affected Persons. The Borrower and each Guarantor further agrees to indemnify Administrative Agent, each Lender, and any security



trustee therefor, and their respective directors, officers, employees, agents, financial advisors, and consultants (each such Person being called an “*Indemnitee*”) against all losses, claims, damages, penalties, judgments, liabilities and expenses (including all reasonable fees and disbursements of counsel for any such Indemnitee and all reasonable expenses of litigation or preparation therefor, whether or not the Indemnitee is a party thereto, or any settlement arrangement arising from or relating to any such litigation) which any of them may pay or incur arising out of or relating to any Loan Document or any of the transactions contemplated thereby or the direct or indirect application or proposed application of the proceeds of any Loan, other than those which arise from the gross negligence or willful misconduct of the party claiming indemnification (as determined by a court of competent jurisdiction by final and non-appealable judgment). The Borrower and each Guarantor, upon demand by Administrative Agent or a Lender at any time, shall reimburse Administrative Agent or such Lender for any legal or other expenses (including all reasonable fees and disbursements of counsel for any such Indemnitee) incurred in connection with investigating or defending against any of the foregoing (including any settlement costs relating to the foregoing) except if the same is directly due to the gross negligence or willful misconduct of the party to be indemnified (as determined by a court of competent jurisdiction by final and non-appealable judgment); *provided*, that attorney’s fees shall be limited to one counsel for all Indemnites and, if necessary, of one local counsel for all Indemnites in each applicable jurisdiction (which may include a single special counsel acting in multiple jurisdictions for all Lenders and the Administrative Agent), and, solely in the case of an actual conflict of interest, one additional counsel in each applicable jurisdiction to the affected Persons. To the extent permitted by applicable Law, neither the Borrower nor any Guarantor shall assert, and each such Person hereby waives, any claim against any Indemnitee, 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, this Agreement or the other Loan Documents or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby, any Loan or the use of the proceeds thereof. No Indemnitee shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

*Section 12.16. Set-off.* In addition to any rights now or hereafter granted under the Loan Documents or applicable Law and not by way of limitation of any such rights, upon the occurrence of any Event of Default, with the prior written consent of Administrative Agent, each Lender, each subsequent holder of any Obligation, and each of their respective affiliates, is hereby authorized by Borrower and each Guarantor at any time or from time to time, without notice to Borrower or any Guarantor or to any other Person, any such notice being hereby expressly waived, to set off and to appropriate and to apply any and all deposits (general or special, including, but not limited to, indebtedness evidenced by certificates of deposit, whether matured or unmatured, and in whatever currency denominated, but not including trust accounts) and any other indebtedness at any time held or owing by that Lender, subsequent holder, or affiliate, to or for the credit or the account of Borrower or any such Guarantor, whether or not matured, against and on account of the Obligations of the Borrower or any such Guarantor to that Lender or subsequent holder under the Loan Documents, including, but not limited to, all claims of any nature or description arising out of or connected with the Loan Documents, irrespective of

whether or not (a) that Lender or subsequent holder shall have made any demand hereunder or (b) the principal of or the interest on the Loans and other amounts due hereunder shall have become due and payable pursuant to Section 9 and although said obligations and liabilities, or any of them, may be contingent or unmatured.

*Section 12.17. Entire Agreement.* The Loan Documents constitute the entire understanding of the parties thereto with respect to the subject matter thereof and any prior agreements, whether written or oral, with respect thereto are superseded hereby.

*Section 12.18. Governing Law.* This Agreement and the other Loan Documents (except as otherwise specified therein), and any claim, controversy, dispute or cause of action (whether in contract, tort or otherwise) based upon, arising out of or relating to this Agreement or any Loan Document, and the rights and duties of the parties hereto, shall be governed by and construed and determined in accordance with the internal laws of the State of Illinois.

*Section 12.19. Severability of Provisions.* Any provision of any Loan Document which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof or affecting the enforceability of such provision in any other jurisdiction. All rights, remedies and powers provided in this Agreement and the other Loan Documents may be exercised only to the extent that the exercise thereof does not violate any applicable mandatory provisions of law, and all the provisions of this Agreement and other Loan Documents are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Agreement or the other Loan Documents invalid or unenforceable.

*Section 12.20. Excess Interest.* Notwithstanding any provision to the contrary contained herein or in any other Loan Document, no such provision shall require the payment or permit the collection of any amount of interest in excess of the maximum amount of interest permitted by applicable Law to be charged for the use or detention, or the forbearance in the collection, of all or any portion of the Loans or other obligations outstanding under this Agreement or any other Loan Document (“*Excess Interest*”). If any Excess Interest is provided for, or is adjudicated to be provided for, herein or in any other Loan Document, then in such event (a) the provisions of this Section shall govern and control, (b) neither Borrower nor any Guarantor or endorser shall be obligated to pay any Excess Interest, (c) any Excess Interest that Administrative Agent or any Lender may have received hereunder shall, at the option of Administrative Agent, be (i) applied as a credit against the then outstanding principal amount of Obligations hereunder and accrued and unpaid interest thereon (not to exceed the maximum amount permitted by applicable law), (ii) refunded to Borrower, or (iii) any combination of the foregoing, (d) the interest rate payable hereunder or under any other Loan Document shall be automatically subject to reduction to the maximum lawful contract rate allowed under applicable usury laws (the “*Maximum Rate*”), and this Agreement and the other Loan Documents shall be deemed to have been, and shall be, reformed and modified to reflect such reduction in the relevant interest rate, and (e) neither Borrower nor any Guarantor or endorser shall have any action against Administrative Agent or any Lender for any damages whatsoever arising out of the payment or collection of any Excess Interest. Notwithstanding the foregoing, if for any period of time interest on any of the

Obligations is calculated at the Maximum Rate rather than the applicable rate under this Agreement, and thereafter such applicable rate becomes less than the Maximum Rate, the rate of interest payable on such Obligations shall remain at the Maximum Rate until the Lenders have received the amount of interest which such Lenders would have received during such period on such Obligations had the rate of interest not been limited to the Maximum Rate during such period.

*Section 12.21. Construction.* The parties acknowledge and agree that the Loan Documents shall not be construed more favorably in favor of any party hereto based upon which party drafted the same, it being acknowledged that all parties hereto contributed substantially to the negotiation of the Loan Documents. The provisions of this Agreement relating to Subsidiaries shall only apply during such times as Borrower has one or more Subsidiaries. Nothing contained herein shall be deemed or construed to permit any act or omission which is prohibited by the terms of any Loan Document, the covenants and agreements contained herein being in addition to and not in substitution for the covenants and agreements contained in the Loan Documents.

*Section 12.22. Lender's Obligations Several.* The obligations of the Lenders hereunder are several and not joint. Nothing contained in this Agreement and no action taken by the Lenders pursuant hereto shall be deemed to constitute the Lenders a partnership, association, joint venture or other entity.

*Section 12.23. Submission to Jurisdiction; Waiver of Venue; Service of Process; Waiver of Jury Trial.* (a) Borrower and each Guarantor irrevocably and unconditionally submit, for themselves and their property, to the exclusive jurisdiction of the courts of the State of Illinois sitting in Cook County and of the United States District Court of the Northern District Of Illinois, and any appellate court from any thereof, in any action or proceeding arising out of or relating to this agreement or any other loan document, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such state court or, to the fullest extent permitted by applicable law, in such federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement or in any other loan document shall affect any right that Administrative Agent and lenders may otherwise have to bring any action or proceeding relating to this Agreement or any other loan document against Borrower and the Guarantors or their property in the courts of any other jurisdiction.

(b) Borrower and each Guarantor irrevocably and unconditionally waive, to the fullest extent permitted by applicable law, any objection that they may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement or any other loan document in any court referred to in paragraph (a) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(c) Each party hereto irrevocably consents to service of process in the manner provided for notices in Section 12.8(a). Nothing in this Agreement will affect the right of any party hereto to serve process in any other manner permitted by applicable law.

(d) Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any right it may have to a trial by jury in any legal proceeding directly or indirectly arising out of or relating to this Agreement or any other loan document or the transactions contemplated hereby or thereby (whether based on contract, tort or any other theory). Each party hereto (i) certifies that no representative, agent or attorney of any other person has represented, expressly or otherwise, that such other person would not, in the event of litigation, seek to enforce the foregoing Waiver and (ii) acknowledges that it and the other parties hereto have been induced to enter into this Agreement and the other loan documents by, among other things, the mutual waivers and certifications in this section.

*Section 12.24. USA Patriot Act.* Each Lender that is subject to the requirements of the Patriot Act hereby notifies the Borrower and each Guarantor that pursuant to the requirements of the Patriot Act, it is required to obtain, verify, and record information that identifies the Borrower and each Guarantor, which information includes the name and address of the Borrower and each Guarantor and other information that will allow such Lender to identify the Borrower and such Guarantor in accordance with the Patriot Act.

*Section 12.25. Confidentiality.* Each of Administrative Agent and the Lenders severally agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its and its Affiliates' and its Related Parties, including accountants, legal counsel and other advisors to the extent any such Person has a need to know such Information (it being understood that the Persons to whom such disclosure is made will first be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required or requested by any regulatory authority (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any suit, action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to (A) any assignee of or participant in, or any prospective assignee of or participant in, any of its rights or obligations under this Agreement or (B) any actual or prospective counterparty (or its advisors) to any swap or derivative transaction relating to Holdings, the Borrower or any Subsidiary and its obligations, (g) on a confidential basis to (i) any rating agency in connection with rating Holdings, the Borrower or their Subsidiaries or the Credit or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers; (h) with the prior written consent of Holdings, the Borrower or any Subsidiary, (i) to the extent such Information (A) becomes publicly available other than as a result of a breach of this Section or (B) becomes available to Administrative Agent or any Lender on a non-confidential basis from a source other than Holdings, the Borrower or any Subsidiary or any of their directors, officers, employees or agents, including accountants, legal counsel and other advisors, or (j) to entities which compile and publish information about the syndicated loan

market, *provided* that only basic information about the pricing and structure of the transaction evidenced hereby may be disclosed pursuant to this subsection (j). For purposes of this Section, “Information” means all information received from Holdings, the Borrower or any of their Subsidiaries or from any other Person on behalf of Holdings, the Borrower or any Subsidiary relating to Holdings, the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to Administrative Agent or any Lender on a non-confidential basis prior to disclosure by Holdings, the Borrower or any of their Subsidiaries or from any other Person on behalf of Holdings, the Borrower or any of their Subsidiaries; *provided* that, in the case of information received from Holdings, the Borrower or any of their Subsidiaries, or on behalf of Holdings, the Borrower or any of their Subsidiaries, after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

*Section 12.26. Customary Advertising Material.* Notwithstanding anything to the contrary in Section 12.25, the Borrower consents to the publication by the Administrative Agent or any Lender of customary advertising material (including customary “tombstone” disclosure) relating to the transactions contemplated hereby using the name, product photographs, logo or trademark of Holdings, the Borrower and the Guarantors.

*Section 12.27. Acknowledgement and Consent to Bail-In of Affected Financial Institutions.* Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the Write-Down and Conversion Powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

- (a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and
- (b) the effects of any Bail-In Action on any such liability, including, if applicable:
  - (i) a reduction in full or in part or cancellation of any such liability;
  - (ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

[Signature Pages to Follow]

This Credit Agreement is entered into between us for the uses and purposes herein above set forth as of the date first above written.

*“Borrower”*

StoneX Financial Inc.

By: /s/ William Dunaway  
Name: William Dunaway Title: Chief Financial Officer

By: /s/ Kevin Murphy  
Name: Kevin Murphy Title: Treasurer

*“Guarantor”*

StoneX Group Inc.

By: /s/ William Dunaway  
Name: William Dunaway Title: Chief Financial Officer

By: /s/ Kevin Murphy  
Name: Kevin Murphy Title: Treasurer

*“Administrative Agent and the Lenders”*

BMO Harris Bank N.A, as Administrative Agent, the Swing Line Lender and a Lender

By : /s/ Matthew Witt  
Name Matthew Witt  
Title Vice President



Customers Bank, as a Lender

By : /s/ Brandon Troster  
Name Brandon Troster  
Title SVP

S-3

Signature Bank, as a Lender

By : /s/ Richard Ohl  
Name Richard Ohl  
Title Sr. Vice President

Webster Bank, N.A., as a Lender

By : /s/ Peter S. Donahue  
Name Peter S. Donahue  
Title Senior Vice President

Northbrook Bank & Trust Company, as a Lender

By : /s/ Connor Huxtable  
Name Connor Huxtable  
Title Vice President

TriState Capital Bank, as a Lender

By : /s/ Ellen Frank

Name Ellen Frank

Title Senior Vice President

S-7

Cadence Bank, as a Lender

By : Hoyt Elliott  
Name Hoyt Elliott  
Title Vice President

## Exhibit A

### Notice of Borrowing

Date: , \_\_\_\_

To: BMO Harris Bank N.A., as Administrative Agent for the Lenders parties to the Credit Agreement dated as of December 12, 2022 (as extended, renewed, amended or restated from time to time, the “*Credit Agreement*”), among StoneX Financial Inc. (the “*Borrower*”), the Guarantors party thereto certain Lenders party thereto, and BMO Harris Bank N.A., as Administrative Agent

Ladies and Gentlemen:

The Borrower refers to the Credit Agreement, the terms defined therein being used herein as therein defined, and hereby gives you notice irrevocably, pursuant to Section 1.6 of the Credit Agreement, of the Borrowing specified below:

1. The type of Borrowing: **[Margin Loan] / [Reserve Loan]**
2. The Business Day of the proposed Borrowing is \_\_\_\_\_, \_\_\_\_.
3. The aggregate amount of the proposed Borrowing is \$\_\_\_\_\_.
4. The number of Zero Loan Days for the month \_\_\_\_\_ **[cannot be less than five (5)]**

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed Borrowing, before and after giving effect thereto and to the application of the proceeds therefrom:

- (a) the representations and warranties of the Borrower contained in Section 6 of the Credit Agreement are true and correct as though made on and as of such date (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date); and
- (b) no Default or Event of Default has occurred and is continuing or would result from such proposed Borrowing.
- (c) after giving effect to such proposed Borrowing, the aggregate principal amount of all Loans outstanding does not exceed the Commitment;
- (d) after giving effect to such proposed Borrowing, the aggregate principal amount of the Reserve Loans outstanding does not exceed the Borrowing Base (Reserve); and
- (e) Annex 1 attached hereto sets forth data and computations evidencing the applicable Borrowing Base, and all of such data and computations are true, correct and

complete and have been made in accordance with the relevant sections of the Credit Agreement.

StoneX Financial Inc.

By  
Name  
Title



Annex I

Borrowing Base (Reserve)		
(1)	Amount in Reserve Account as of _____ (the “ <i>Requested Withdrawal Date</i> ”)	\$ _____
(2)	Requested customer withdrawals from the Requested Withdrawal Date	\$ _____
(3)	Deposits required to be made in the Reserve Account from the Requested Withdrawal Date	\$ _____
(4)	The aggregate principal amount of Reserve Loans advanced to Borrower for such requested customer withdrawals (whether such Loans remain outstanding or have been repaid) from the Requested Withdrawal Date	\$ _____
(5)	Line 2 minus Line 3 minus Line 4 (to the extent positive)	\$ _____
(6)	Line 5 multiplied by 100%	\$ _____

**Exhibit B-1**

**Revolving Note**

\_\_\_\_\_, 202\_

For Value Received, the undersigned, StoneX Financial Inc., a Florida corporation (the “*Borrower*”), hereby promises to pay to \_\_\_\_\_ (the “*Lender*”) or its registered assigns on the Termination Date of the hereinafter defined Credit Agreement, at the principal office of the Administrative Agent in Chicago Illinois (or such other location as the Administrative Agent may designate to the Borrower), in immediately available funds, the aggregate unpaid principal amount of all Revolving Loans made by the Lender to the Borrower pursuant to the Credit Agreement, together with interest on the principal amount of each Revolving Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates, specified in the Credit Agreement.

This Note is one of the Revolving Notes referred to in the Credit Agreement dated as of December 12, 2022, among the Borrower, the Guarantors party thereto, the Lenders parties thereto, and BMO Harris Bank N.A., as Administrative Agent (as extended, renewed, amended or restated from time to time, the “*Credit Agreement*”), and this Note and the holder hereof are entitled to all the benefits provided for thereby or referred to therein, to which Credit Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Credit Agreement. This Note shall be governed by and construed in accordance with the internal laws of the State of Illinois.

Voluntary prepayments may be made hereon, certain prepayments are required to be made hereon, and this Note may be declared due prior to the expressed maturity hereof, all in the events, on the terms and in the manner as provided for in the Credit Agreement.

The Borrower hereby waives demand, presentment, protest or notice of any kind hereunder.

StoneX Financial Inc.

By  
Name  
Title

By  
Name  
Title

**Exhibit B-2**

**Swing Note**

\_\_\_\_\_, 202\_\_

For Value Received, the undersigned, StoneX Financial Inc., a Florida corporation (the "*Borrower*"), hereby promises to pay to BMO Harris Bank N.A. (the "*Lender*") or its registered assigns on the Termination Date of the hereinafter defined Credit Agreement, at the principal office of the Administrative Agent in Chicago, Illinois (or such other location as the Administrative Agent may designate to the Borrower), in immediately available funds, the aggregate unpaid principal amount of all Swing Loans made by the Lender to the Borrower pursuant to the Credit Agreement, together with interest on the principal amount of each Swing Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates, specified in the Credit Agreement.

This Note is the Swing Note referred to in the Credit Agreement dated as of December 12, 2022 among the Borrower, the Guarantors party thereto, the Lenders parties thereto, and BMO Harris Bank N.A., as Administrative Agent (as extended, renewed, amended or restated from time to time, the "*Credit Agreement*"), and this Note and the holder hereof are entitled to all the benefits provided for thereby or referred to therein, to which Credit Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Credit Agreement. This Note shall be governed by and construed in accordance with the internal laws of the State of Illinois.

Voluntary prepayments may be made hereon, certain prepayments are required to be made hereon, and this Note may be declared due prior to the expressed maturity hereof, all in the events, on the terms and in the manner as provided for in the Credit Agreement.

The Borrower hereby waives demand, presentment, protest or notice of any kind hereunder.

StoneX Financial Inc.

By  
Name  
Title

By  
Name  
Title

## Exhibit C

### StoneX Financial Inc.

### Compliance Certificate

To: BMO Harris Bank N.A., as Administrative Agent under, and the Lenders parties to, the Credit Agreement described below

This Compliance Certificate is furnished to the Administrative Agent, and the Lenders pursuant to that certain Credit Agreement dated as of December 12, 2022 among us (as extended, renewed, amended or restated from time to time, the “*Credit Agreement*”). Unless otherwise defined herein, the terms used in this Compliance Certificate have the meanings ascribed thereto in the Credit Agreement.

The Undersigned hereby certifies that:

1. I am the duly elected \_\_\_\_\_ of StoneX Financial Inc., a Florida corporation;
2. I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the transactions and conditions of Holdings, the Borrower and the Subsidiaries during the accounting period covered by the attached financial statements;
3. The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Compliance Certificate, except as set forth below;
4. The financial statements required by Section 8.5 of the Credit Agreement and being furnished to you concurrently with this Compliance Certificate are true, correct and complete as of the date and for the periods covered thereby; and
5. The Schedule I hereto sets forth financial data and computations evidencing the Borrower’s compliance with certain covenants of the Credit Agreement, all of which data and computations are, to the best of my knowledge, true, complete and correct and have been made in accordance with the relevant Sections of the Credit Agreement.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Borrower has taken, is taking, or proposes to take with respect to each such condition or event:

The foregoing certifications, together with the computations set forth in Schedule I hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

StoneX Financial Inc.

By:

Name:

Title:

**Schedule I  
to Compliance Certificate**

**StoneX Financial Inc.**

**Compliance Calculations  
for Credit Agreement  
dated as of December 12, 2022**

Calculations as of \_\_\_\_\_, \_\_\_\_\_

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Section 8.21

(a)	Tangible Net Worth (minimum \$460,000,000)	\$ _____
(b)	Net Loss for the twelve months then ended (shall not exceed \$15,000,000)	\$ _____
(c)	Excess Net Capital (minimum \$75,000,000)	\$ _____
	Borrowers are in compliance with Lines (a), (b) and (c) above	Yes / No (Circle one)

**Exhibit D**

**Additional Guarantor Supplement**

\_\_\_\_\_

BMO Harris Bank N.A., as Administrative Agent for the Lenders parties to the Credit Agreement dated as of December 12, 2022 among StoneX Financial Inc., as Borrower, the Guarantors referred to therein, the Lenders parties thereto from time to time, and the Administrative Agent (as extended, renewed, amended or restated from time to time, the “*Credit Agreement*”)

Ladies and Gentlemen:

Reference is made to the Credit Agreement described above. Terms not defined herein which are defined in the Credit Agreement shall have for the purposes hereof the meaning provided therein.

The undersigned, **[name of Subsidiary Guarantor]**, a **[jurisdiction of incorporation or organization]** hereby elects to be a “*Guarantor*” for all purposes of the Credit Agreement, effective from the date hereof. The undersigned confirms that the representations and warranties set forth in Section 6 of the Credit Agreement are true and correct as to the undersigned as of the date hereof and the undersigned shall comply with each of the covenants set forth in Section 8 of the Credit Agreement applicable to it.

Without limiting the generality of the foregoing, the undersigned hereby agrees to perform all the obligations of a Guarantor under, and to be bound in all respects by the terms of, the Credit Agreement, including without limitation Section 11 thereof, to the same extent and with the same force and effect as if the undersigned were a signatory party thereto.

The undersigned acknowledges that this Agreement shall be effective upon its execution and delivery by the undersigned to the Administrative Agent, and it shall not be necessary for the Administrative Agent or any Lender, or any of their Affiliates entitled to the benefits hereof, to execute this Agreement or any other acceptance hereof. This Agreement shall be construed in accordance with and governed by the internal laws of the State of Illinois.

Very truly yours,

[Name of Subsidiary Guarantor]

By  
Name  
Title

## Exhibit E

### Assignment and Acceptance

Dated \_\_\_\_\_, \_\_\_\_\_

Reference is made to the Credit Agreement dated as of December 12, 2022 (as extended, renewed, amended or restated from time to time, the “*Credit Agreement*”) among StoneX Financial Inc., the Guarantors party thereto, the Lenders parties thereto, and BMO Harris Bank N.A., as Administrative Agent (the “*Administrative Agent*”). Terms defined in the Credit Agreement are used herein with the same meaning.

\_\_\_\_\_ (the “*Assignor*”) and \_\_\_\_\_  
(the “*Assignee*”) agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, the amount and specified percentage interest shown on Annex I hereto of the Assignor’s rights and obligations under the Credit Agreement as of the Effective Date (as defined below), including, without limitation, the Assignor’s Commitments as in effect on the Effective Date and the Loans, if any, owing to the Assignor on the Effective Date.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim, lien, or encumbrance of any kind; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto; and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of Holdings, the Borrower or any Subsidiary or the performance or observance by Holdings, the Borrower or any Subsidiary of any of their respective obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto.

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the most recent financial statements delivered to the Lenders pursuant to Section 8.5(a) and (b) thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) appoints and authorizes the Administrative Agent to take such action as Administrative Agent on its behalf and to exercise such powers under the Credit Agreement and the other Loan Documents as are delegated to the Administrative Agent



by the terms thereof, together with such powers as are reasonably incidental thereto; (iv) agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement are required to be performed by it as a Lender; and (v) specifies as its lending office (and address for notices) the offices set forth on its Administrative Questionnaire.

4. As consideration for the assignment and sale contemplated in Annex I hereof, the Assignee shall pay to the Assignor on the Effective Date in Federal funds the amount agreed upon between them. It is understood that commitment and/or letter of credit fees accrued to the Effective Date with respect to the interest assigned hereby are for the account of the Assignor and such fees accruing from and including the Effective Date are for the account of the Assignee. Each of the Assignor and the Assignee hereby agrees that if it receives any amount under the Credit Agreement which is for the account of the other party hereto, it shall receive the same for the account of such other party to the extent of such other party's interest therein and shall promptly pay the same to such other party.

5. The effective date for this Assignment and Acceptance shall be \_\_\_\_\_ (the "*Effective Date*"). Following the execution of this Assignment and Acceptance, it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent and, if required, the Borrower.

6. Upon such acceptance and recording, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

7. Upon such acceptance and recording, from and after the Effective Date, the Administrative Agent shall make all payments under the Credit Agreement in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and commitment fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement for periods prior to the Effective Date directly between themselves.

8. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of Illinois.

[Assignor Lender]

By  
Name  
Title

[Assignee Lender]

By  
Name  
Title

Accepted and consented this  
\_\_\_ day of \_\_\_\_\_

StoneX Financial Inc.

By  
Name  
Title

Accepted and consented to by the Administrative  
Agent this \_\_\_ day of \_\_\_\_\_

BMO Harris Bank N.A.,  
as Administrative Agent

By  
Name  
Title

**Annex I**  
**to Assignment and Acceptance**

The assignee hereby purchases and assumes from the assignor the following interest in and to all of the Assignor's rights and obligations under the Credit Agreement as of the effective date.

Facility Assigned	Aggregate Commitment/Loans For All Lenders	Amount of Commitment/Loans Assigned	Percentage Assigned of Commitment/Loans
Credit	\$ _____	\$ _____	_____%

**Exhibit F**

**Commitment Amount Increase Request**

\_\_\_\_\_, 202\_\_

BMO Harris Bank N.A.,  
as Administrative Agent (the “*Administrative Agent*”) for the Lenders  
referred to below  
320 South Canal Street  
Chicago, Illinois 60606  
Attention: Agency Services

Re: Credit Agreement dated as of December 12, 2022 (together with all amendments, if any, hereafter from time to time made thereto, the “*Credit Agreement*”) by and among StoneX Financial Inc., the Guarantors party thereto, the Lenders party thereto and the Administrative Agent

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Ladies and Gentlemen:

In accordance with the Credit Agreement, the Borrower hereby requests that the Administrative Agent consent to an increase in the aggregate Commitments (the “*Commitment Amount Increase*”), in accordance with Section 1.12 of the Credit Agreement, to be effected by an increase in the Commitment of **[name of existing Lender(s)] [and] [the addition of [each of] [name of each new Lender] (the [each a] “New Lender”)]** as a Lender under the terms of the Credit Agreement. Capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Credit Agreement.

After giving effect to such Commitment Amount Increase, the Commitment of the **[Lender(s)] [New Lenders]** shall be **[\$\_\_\_\_\_.] [as follows:**

**Lender/New Lender**

**Commitment Amount**

\$ \_\_\_\_\_  
\$ \_\_\_\_\_]

**[Include paragraphs 1-4 for a New Lender]**

1. The New Lender hereby confirms that it has received a copy of the Loan Documents and the exhibits related thereto, together with copies of the documents which were required to be delivered under the Credit Agreement as a condition to the making of the Revolving Loans and other extensions of credit thereunder. The **[Each]** New Lender acknowledges and agrees that it has made and will continue to make, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, its own credit analysis and decisions relating to the Credit Agreement. The **[Each]** New Lender further acknowledges and agrees that the Administrative Agent has not made any representations or warranties about the creditworthiness of the Borrower or any other party to the Credit Agreement or any other Loan Document or with respect to the legality, validity, sufficiency or enforceability of the Credit Agreement or any other Loan Document or the value of any security therefor.

2. Except as otherwise provided in the Credit Agreement, effective as of the date of acceptance hereof by the Administrative Agent, the **[each]** New Lender (i) shall be deemed automatically to have become a party to the Credit Agreement and have all the rights and obligations of a “Lender” under the Credit Agreement as if it were an original signatory thereto and (ii) agrees to be bound by the terms and conditions set forth in the Credit Agreement as if it were an original signatory thereto.

3. The **[Each]** New Lender hereby advises you of the following administrative details with respect to its Revolving Loans and Commitment:

(A) Notices:

Institution Name: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_

(B) Payment Instructions:

**[4. The [Each] New Lender has delivered, if appropriate, to the Borrowers and the Administrative Agent (or is delivering to the Borrower and the Administrative Agent concurrently herewith) the tax forms referred to in Section 12.1 of the Credit Agreement.]<sup>1</sup>**

This Agreement shall be deemed to be a contractual obligation under, and shall be governed by and construed in accordance with, the laws of the State of Illinois.

The Commitment Amount Increase shall be effective when the executed consent of the Administrative Agent is received or otherwise in accordance with Section 1.12, of the Credit Agreement, but not in any case prior to \_\_\_\_\_, \_\_\_\_\_. It shall be a condition to the effectiveness of the Commitment Amount Increase that all expenses referred to in Section 1.12 of the Credit Agreement shall have been paid.

\_\_\_\_\_  
Insert bracketed paragraph if New Lender is organized under the law of a jurisdiction other than the United States of America or a state thereof.

The Borrower hereby certifies that no Default or Event of Default has occurred and is continuing.

Please indicate the Administrative Agent's consent to such Commitment Amount Increase by signing the enclosed copy of this letter in the space provided below.

Very truly yours,

StoneX Financial Inc.

By

Name:

Title:

By

Name:

Title:

[New Lender/Lender Increasing its Commitment]

By:

Name:

Title:

The undersigned hereby consents  
on this \_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_ to the above-requested Commitment  
Amount Increase.

BMO Harris Bank N.A., as Administrative Agent

By:

Name:

Title:

**Schedule 1**

**Commitments**

Name of Lender	Commitment
BMO Harris Bank N.A.	\$75,000,000.00
Customers Bank	\$25,000,000.00
Signature Bank	\$15,000,000.00
Webster Bank, N.A.	\$15,000,000.00
Northbrook Bank & Trust Company, N.A.	\$10,000,000.00
TriState Capital Bank	\$10,000,000.00
Cadence Bank	\$5,000,000.00
Total	<u>\$155,000,000</u>

**Schedule 6.2**

**Subsidiaries**

None.



**Schedule 8.8**

**Existing Liens**

None.

**COMMITMENT AMOUNT INCREASE REQUEST**

December 19, 2022

BMO Harris Bank N.A.,  
as Administrative Agent (the  
“*Administrative Agent*”) for the Lenders  
referred to below  
320 South Canal Street  
Chicago, Illinois 60606

Attention: Agency Services

Re: Credit Agreement dated as of December 12, 2022 (together with all amendments, if any, hereafter from time to time made thereto, the “*Credit Agreement*”) by and among StoneX Financial Inc., the Guarantors party thereto, the Lenders party thereto and the Administrative Agent

Ladies and Gentlemen:

In accordance with the Credit Agreement, the Borrower hereby requests that the Administrative Agent consent to an increase in the aggregate Commitments (the “*Commitment Amount Increase*”), in accordance with Section 1.12 of the Credit Agreement, to be effected by the addition of East West Bank (the “*New Lender*”) as a Lender under the terms of the Credit Agreement. Capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Credit Agreement.

After giving effect to such Commitment Amount Increase, the Commitment of the New Lender shall be \$25,000,000.00.

1. The New Lender hereby confirms that it has received a copy of the Loan Documents and the exhibits related thereto, together with copies of the documents which were required to be delivered under the Credit Agreement as a condition to the making of the Revolving Loans and other extensions of credit thereunder. The New Lender acknowledges and agrees that it has made and will continue to make, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, its own credit analysis and decisions relating to the Credit Agreement. The New Lender further acknowledges and agrees that the Administrative Agent has not made any representations or warranties about the creditworthiness of the Borrower or any other party to the Credit Agreement or any other Loan Document or with respect to the legality, validity, sufficiency or enforceability of the Credit Agreement or any other Loan Document or the value of any security therefor.

2. Except as otherwise provided in the Credit Agreement, effective as of the date of acceptance hereof by the Administrative Agent, the New Lender (i) shall be deemed automatically to have become a party to the Credit Agreement and have all the rights and obligations of a “Lender” under the Credit Agreement as if it were an original signatory thereto and (ii) agrees to be bound by the terms and conditions set forth in the Credit Agreement as if it were an original signatory thereto.

3. The New Lender hereby advises you of the following administrative details with respect to its Revolving Loans and Commitment:

(A) Notices:

Institution Name: East West Bank

Address: 135 North Los Robles Avenue, Floor 7  
Pasadena, CA 91101

Email: PartAndSynd@eastwestbank.com (servicing notices; operations inquiries)

Name: Stephen Maenhout (credit notices)

Email: stephen.maenhout@eastwestbank.com

Telephone: 773-805-5669 (credit notices)

(B) Payment Instructions:

East West Bank – Loan Servicing Department – Syndication

Incoming Wire Clearing 242833-187

ABA #: 322070381

Borrower Name: StoneX Financial, Inc. Loan #: 90500000763

4. The New Lender has delivered, if appropriate, to the Borrowers and the Administrative Agent (or is delivering to the Borrower and the Administrative Agent concurrently herewith) the tax forms referred to in Section 12.1 of the Credit Agreement.

THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACTUAL OBLIGATION UNDER, AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ILLINOIS.

The Commitment Amount Increase shall be effective when the executed consent of the Administrative Agent is received or otherwise in accordance with Section 1.12, of the Credit Agreement, but not in any case prior to December 19, 2022. It shall be a condition to the effectiveness of the Commitment Amount Increase that all expenses referred to in Section 1.12 of the Credit Agreement shall have been paid.

The Borrower hereby certifies that no Default or Event of Default has occurred and is continuing.

[Reminder Left Intentionally Blank]

Please indicate the Administrative Agent's consent to such Commitment Amount Increase by signing the enclosed copy of this letter in the space provided below.

Very truly yours,

STONEX FINANCIAL INC.

By: /s/ William Dunaway  
Name: William Dunaway Title: Chief Financial Officer

By: /s/ Kevin Murphy  
Name: Kevin Murphy Title: Treasurer

EAST WEST BANK

By: /s/ Peter J. Bulandr  
Name: Peter J. Bulandr  
Title: Senior Vice President

The undersigned hereby consents  
on this 19th day of December, 2022  
to the above-requested Commitment  
Amount Increase.

BMO HARRIS BANK N.A., as Administrative Agent

By: /s/ Matthew Witt  
Name: Matthew Witt  
Title: Vice President

**SECTION 302 CERTIFICATION**

I, Sean M. O'Connor, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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: February 7, 2023

/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 Quarterly Report on Form 10-Q 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: February 7, 2023

/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 Quarterly Report of StoneX Group Inc. (the Company) on Form 10-Q for the period ended December 31, 2022 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: February 7, 2023

/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 Quarterly Report of StoneX Group Inc. (the Company) on Form 10-Q for the period ended December 31, 2022 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: February 7, 2023

/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.