

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended March 31, 2020

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: 001-37352

Virtu Financial, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

32-0420206

(I.R.S. Employer Identification No.)

One Liberty Plaza

165 Broadway

New York, New York

(Address of principal executive offices)

10006

(Zip Code)

(212) 418-0100

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.00001 per share	VIRT	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

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

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 Securities Act.

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

Class of Stock	Shares outstanding as of May 11, 2020
Class A common stock, par value \$0.00001 per share	120,451,098
Class C common stock, par value \$0.00001 per share	12,162,851
Class D common stock, par value \$0.00001 per share	60,091,740

VIRTU FINANCIAL, INC. AND SUBSIDIARIES
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FOR THE QUARTER ENDED MARCH 31, 2020

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Unless the context otherwise requires, the terms “we,” “us,” “our,” “Virtu” and the “Company” refer to Virtu Financial, Inc., a Delaware corporation, and its consolidated subsidiaries and the term “Virtu Financial” refers to Virtu Financial LLC, a Delaware limited liability company and a consolidated subsidiary of ours.

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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Virtu Financial, Inc. and Subsidiaries
Condensed Consolidated Statements of Financial Condition (Unaudited)

(in thousands, except share data)	March 31, 2020	December 31, 2019
Assets		
Cash and cash equivalents	\$ 710,533	\$ 732,164
Cash restricted or segregated under regulations and other	94,668	41,116
Securities borrowed	1,321,982	1,928,763
Securities purchased under agreements to resell	75,147	143,032
Receivables from broker-dealers and clearing organizations	2,562,721	1,318,584
Trading assets, at fair value:		
Financial instruments owned	2,314,777	2,068,734
Financial instruments owned and pledged	779,043	696,956
Receivables from customers	541,300	103,531
Property, equipment and capitalized software (net of accumulated depreciation of \$466,928 and \$457,229 as of March 31, 2020 and December 31, 2019, respectively)	113,987	116,089
Operating lease right-of-use assets	302,329	314,526
Goodwill	1,148,926	1,148,926
Intangibles (net of accumulated amortization of \$238,197 and \$219,239 as of March 31, 2020 and December 31, 2019, respectively)	510,680	529,638
Deferred tax assets	219,787	214,671
Other assets (\$49,068 and \$48,966, at fair value, as of March 31, 2020 and December 31, 2019, respectively)	291,473	252,640
Total assets	\$ 10,987,353	\$ 9,609,370
Liabilities and equity		
Liabilities		
Short-term borrowings	\$ 431,500	\$ 73,486
Securities loaned	1,017,361	1,600,099
Securities sold under agreements to repurchase	389,679	340,742
Payables to broker-dealers and clearing organizations	1,180,829	826,750
Payables to customers	569,252	89,719
Trading liabilities, at fair value:		
Financial instruments sold, not yet purchased	2,814,285	2,497,958
Tax receivable agreement obligations	255,996	269,282
Accounts payable, accrued expenses and other liabilities	533,558	399,168
Operating lease liabilities	350,687	365,364
Long-term borrowings	1,915,549	1,917,866
Total liabilities	9,458,696	8,380,434
Commitments and Contingencies (Note 14)		
Virtu Financial Inc. Stockholders' equity		
Class A common stock (par value \$0.00001), Authorized — 1,000,000,000 and 1,000,000,000 shares, Issued — 122,585,460 and 120,435,912 shares, Outstanding — 120,406,689 and 118,257,141 shares at March 31, 2020 and December 31, 2019, respectively	1	1
Class B common stock (par value \$0.00001), Authorized — 175,000,000 and 175,000,000 shares, Issued and Outstanding — 0 and 0 shares at March 31, 2020 and December 31, 2019, respectively	—	—
Class C common stock (par value \$0.00001), Authorized — 90,000,000 and 90,000,000 shares, Issued and Outstanding — 12,162,851 and 12,887,178 shares at March 31, 2020 and December 31, 2019, respectively	—	—
Class D common stock (par value \$0.00001), Authorized — 175,000,000 and 175,000,000 shares, Issued and Outstanding — 60,091,740 and 69,091,740 shares at March 31, 2020 and December 31, 2019, respectively	1	1
Treasury stock, at cost, 2,178,771 and 2,178,771 shares at March 31, 2020 and December 31, 2019, respectively	(55,005)	(55,005)
Additional paid-in capital	1,113,447	1,077,398
Retained earnings (accumulated deficit)	91,292	(90,374)
Accumulated other comprehensive income (loss)	(37,999)	(647)
Total Virtu Financial Inc. stockholders' equity	1,111,737	931,374

Virtu Financial, Inc. and Subsidiaries
Condensed Consolidated Statements of Financial Condition (Unaudited)

(in thousands, except share data)	March 31, 2020	December 31, 2019
Noncontrolling interest	416,920	297,562
Total equity	1,528,657	1,228,936
Total liabilities and equity	<u>\$ 10,987,353</u>	<u>\$ 9,609,370</u>

See accompanying notes to the Condensed Consolidated Financial Statements.

Virtu Financial, Inc. and Subsidiaries
Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

(in thousands, except share and per share data)	Three Months Ended March 31,	
	2020	2019
Revenues:		
Trading income, net	\$ 802,466	\$ 257,540
Interest and dividends income	26,516	29,131
Commissions, net and technology services	170,744	75,147
Other, net	4,372	1,173
Total revenue	1,004,098	362,991
Operating Expenses:		
Brokerage, exchange and clearance fees, net	111,538	64,053
Communication and data processing	55,027	41,814
Employee compensation and payroll taxes	170,358	107,837
Payments for order flow	62,280	23,561
Interest and dividends expense	41,440	45,369
Operations and administrative	30,607	22,078
Depreciation and amortization	17,360	16,450
Amortization of purchased intangibles and acquired capitalized software	18,958	10,922
Termination of office leases	276	—
Debt issue cost related to debt refinancing, prepayment and commitment fees	4,171	9,214
Transaction advisory fees and expenses	188	15,109
Financing interest expense on long-term borrowings	25,670	22,788
Total operating expenses	537,873	379,195
Income (loss) before income taxes and noncontrolling interest	466,225	(16,204)
Provision for (benefit from) income taxes	77,987	(2,585)
Net income (loss)	388,238	(13,619)
Noncontrolling interest	(167,169)	6,946
Net income (loss) available for common stockholders	\$ 221,069	\$ (6,673)
Earnings (loss) per share		
Basic	\$ 1.80	\$ (0.07)
Diluted	\$ 1.80	\$ (0.07)
Weighted average common shares outstanding		
Basic	119,757,158	107,319,812
Diluted	119,788,475	107,319,812
Net income (loss)	\$ 388,238	\$ (13,619)
Other comprehensive income (loss)		
Foreign exchange translation adjustment, net of taxes	(10,396)	(3,744)
Net change in unrealized cash flow hedges gain (loss), net of taxes	(55,602)	—
Comprehensive income (loss)	322,240	(17,363)
Less: Comprehensive income (loss) attributable to noncontrolling interest	(138,523)	8,554
Comprehensive income (loss) attributable to common stockholders	\$ 183,717	\$ (8,809)

See accompanying notes to the Condensed Consolidated Financial Statements.

Virtu Financial, Inc. and Subsidiaries
Condensed Consolidated Statements of Changes in Equity (Unaudited)
Three Months Ended March 31, 2020 and 2019

(in thousands, except share and interest data)	Class A Common Stock		Class C Common Stock		Class D Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Virtu Financial Inc. Stockholders' Equity	Non-Controlling Interest	Total Equity
	Shares	Amounts	Shares	Amounts	Shares	Amounts	Shares	Amounts	Amounts					
Balance at December 31, 2019	120,435,912	\$ 1	12,887,178	\$ —	60,091,740	\$ 1	(2,178,771)	\$ (55,005)	\$ 1,077,398	\$ (90,374)	\$ (647)	\$ 931,374	\$ 297,562	\$ 1,228,936
Share based compensation	1,854,961	—	—	—	—	—	—	—	21,357	—	—	21,357	—	21,357
Repurchase of Class C common stock	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Treasury stock purchases	(642,869)	—	—	—	—	—	—	—	—	(9,801)	—	(9,801)	—	(9,801)
Stock options exercised	213,129	—	—	—	—	—	—	—	3,206	—	—	3,206	—	3,206
Warrants issued	—	—	—	—	—	—	—	—	11,486	—	—	11,486	—	11,486
Net income (loss)	—	—	—	—	—	—	—	—	—	221,069	—	221,069	167,169	388,238
Foreign exchange translation adjustment	—	—	—	—	—	—	—	—	—	—	(5,884)	(5,884)	(4,512)	(10,396)
Net change in unrealized cash flow hedges gains (losses)	—	—	—	—	—	—	—	—	—	—	(31,468)	(31,468)	(24,134)	(55,602)
Distribution from Virtu Financial to non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	(19,165)	(19,165)
Dividends	—	—	—	—	—	—	—	—	—	(29,602)	—	(29,602)	—	(29,602)
Issuance of common stock in connection with employee exchanges	724,327	—	—	—	—	—	—	—	—	—	—	—	—	—
Repurchase of Virtu Financial Units and corresponding number of Class C common stock in connection with employee exchanges	—	—	(724,327)	—	—	—	—	—	—	—	—	—	—	—
Balance at March 31, 2020	122,585,460	\$ 1	12,162,851	\$ —	60,091,740	\$ 1	(2,178,771)	\$ (55,005)	\$ 1,113,447	\$ 91,292	\$ (37,999)	\$ 1,111,737	\$ 416,920	\$ 1,528,657
(in thousands, except share and interest data)	Class A Common Stock		Class C Common Stock		Class D Common Stock		Treasury Stock		Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income (Loss)	Total Virtu Financial Inc. Stockholders' Equity	Non-Controlling Interest	Total Equity
	Shares	Amounts	Shares	Amounts	Shares	Amounts	Shares	Amounts	Amounts					
Balance at December 31, 2018	108,955,048	\$ 1	13,749,886	\$ —	69,091,740	\$ 1	(2,178,771)	\$ (55,005)	\$ 1,010,468	\$ 96,513	\$ (82)	\$ 1,051,896	\$ 442,803	\$ 1,494,699
Share based compensation	965,421	—	—	—	—	—	—	—	30,764	—	—	30,764	—	30,764
Repurchase of Class C common stock	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Treasury stock purchases	(325,195)	—	—	—	—	—	—	—	—	(8,805)	—	(8,805)	—	(8,805)
Stock options exercised	86,224	—	—	—	—	—	—	—	859	—	—	859	—	859
Net income (loss)	—	—	—	—	—	—	—	—	—	(6,673)	—	(6,673)	(6,946)	(13,619)
Foreign exchange translation adjustment	—	—	—	—	—	—	—	—	—	—	(2,136)	(2,136)	(1,608)	(3,744)
Distribution from Virtu Financial to non-controlling interest	—	—	—	—	—	—	—	—	—	—	—	—	(37,196)	(37,196)
Dividends	—	—	—	—	—	—	—	—	—	(26,312)	—	(26,312)	—	(26,312)
Issuance of common stock in connection with employee exchanges	240,000	—	—	—	—	—	—	—	—	—	—	—	—	—
Repurchase of Virtu Financial Units and corresponding number of Class C common stock in connection with employee exchanges	—	—	(240,000)	—	—	—	—	—	—	—	—	—	—	—
Balance at March 31, 2019	109,921,498	\$ 1	13,509,886	\$ —	69,091,740	\$ 1	(2,178,771)	\$ (55,005)	\$ 1,042,091	\$ 54,723	\$ (2,218)	\$ 1,039,593	\$ 397,053	\$ 1,436,646

See accompanying notes to the Condensed Consolidated Financial Statements.

Virtu Financial, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)

(in thousands)	Three Months Ended March 31,	
	2020	2019
Cash flows from operating activities		
Net income (loss)	\$ 388,238	\$ (13,619)
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	17,360	16,450
Amortization of purchased intangibles and acquired capitalized software	18,958	10,922
Debt issue cost related to debt refinancing and prepayment	1,464	9,214
Amortization of debt issuance costs and deferred financing fees	3,493	2,644
Termination of office leases	276	—
Share-based compensation	22,257	21,890
Reserve for legal matters	4,422	—
Deferred taxes	(5,116)	2,489
Other	(296)	14,749
Changes in operating assets and liabilities (1):		
Securities borrowed	606,781	129,999
Securities purchased under agreements to resell	67,885	9,820
Receivables from broker-dealers and clearing organizations	(1,244,137)	241,841
Trading assets, at fair value	(328,130)	(312,005)
Receivables from customers	(437,769)	1,147
Operating lease right-of-use assets	12,197	(263,187)
Other assets	(24,798)	276,524
Securities loaned	(582,738)	(327,799)
Securities sold under agreements to repurchase	48,937	8,139
Payables to broker-dealers and clearing organizations	298,477	268,358
Payables to customers	479,533	(44,015)
Trading liabilities, at fair value	316,327	(180,781)
Operating lease liabilities	(14,677)	305,289
Accounts payable, accrued expenses and other liabilities	132,395	(388,038)
Net cash provided by (used in) operating activities	(218,661)	(209,969)
Cash flows from investing activities		
Development of capitalized software	(8,111)	(6,245)
Acquisition of property and equipment	(10,750)	(4,662)
ITG Acquisition, net of cash acquired, described in Note 3	—	(835,581)
Investment in joint ventures	(1,150)	(1,500)
Net cash provided by (used in) investing activities	(20,011)	(847,988)
Cash flows from financing activities		
Distribution from Virtu Financial to non-controlling interest	(19,165)	(37,196)
Dividends	(29,602)	(26,312)
Purchase of treasury stock	(9,801)	(8,805)
Stock options exercised	3,206	859
Short-term borrowings, net	358,900	127,616
Proceeds from long-term borrowings	—	1,492,500
Repayment of long term borrowings	—	(400,000)
Tax receivable agreement obligations	(13,286)	—
Debt issuance costs	(9,263)	(35,021)
Net cash provided by (used in) financing activities	280,989	1,113,641
Effect of exchange rate changes on cash and cash equivalents	(10,396)	(3,404)
Net increase (decrease) in cash and cash equivalents	31,921	52,280
Cash, cash equivalents, and restricted or segregated cash, beginning of period	773,280	736,047
Cash, cash equivalents, and restricted or segregated cash, end of period	\$ 805,201	\$ 788,327

(in thousands)	Three Months Ended March 31,	
	2020	2019
Supplementary disclosure of cash flow information		
Cash paid for interest	\$ 52,724	\$ 31,954
Cash paid for taxes	2,843	1,171
Non-cash investing activities		
Share-based and accrued incentive compensation to developers relating to capitalized software	3,254	567

(1) Net of ITG Acquisition for the three months ended March 31, 2019; see Note 3

See accompanying notes to the Condensed Consolidated Financial Statements.

Virtu Financial, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (Unaudited)
(dollars in thousands, except shares and per share amounts, unless otherwise noted)

1. Organization and Basis of Presentation

Organization

The accompanying condensed consolidated financial statements include the accounts and operations of Virtu Financial, Inc. (“VFI” or, collectively with its wholly owned or controlled subsidiaries, “Virtu” or the “Company”). VFI is a Delaware corporation whose primary asset is its ownership interest in Virtu Financial LLC (“Virtu Financial”). As of March 31, 2020, VFI owned approximately 63.2% of the membership interests of Virtu Financial. VFI is the sole managing member of Virtu Financial and operates and controls all of the businesses and affairs of Virtu Financial and its subsidiaries (the “Group”).

The Company is a leading financial firm that leverages cutting edge technology to deliver liquidity to the global markets and innovative, transparent trading solutions to its clients. The Company provides deep liquidity in over 25,000 financial instruments, at over 235 venues, in 36 countries worldwide to help create more efficient markets. Leveraging its global market structure expertise and scaled, multi-asset infrastructure, the Company provides its clients a robust product suite including offerings in execution, liquidity sourcing, analytics and broker-neutral, multi-dealer platforms in workflow technology. The Company’s product offerings allow its clients to trade on hundreds of venues across over 50 countries and in multiple asset classes, including global equities, ETFs, foreign exchange, futures, fixed income and other commodities. The Company’s integrated, multi-asset analytics platform provides a range of pre and post-trade services, data products and compliance tools that its clients rely upon to invest, trade and manage risk across global markets.

On July 20, 2017 (the “KCG Closing Date”), the Company completed the all-cash acquisition of KCG Holdings, Inc. (“KCG”) (the “Acquisition of KCG”).

On March 1, 2019 (the “ITG Closing Date”), the Company completed the acquisition of Investment Technology Group, Inc. and its subsidiaries (“ITG”) in an all-cash transaction valued at \$30.30 per ITG share, for a total of approximately \$1.0 billion (the “ITG Acquisition”). See Note 3 “ITG Acquisition” for further details. ITG was a global financial technology company. ITG’s business contributes to the Company’s Execution Services segment.

Virtu Financial’s principal U.S. subsidiaries include Virtu Americas LLC (“VAL”) and Virtu ITG LLC (“VITG”), which are U.S. broker-dealers, and Virtu Alternet Securities LLC (“VALT”, collectively with VAL and VITG, the “broker-dealers”). As part of the Company’s integration efforts, the Company has been in the process of consolidating its U.S. broker-dealers. The Company submitted applications to withdraw the SEC registrations for Virtu Financial BD LLC (“VFBD”) and Virtu Financial Capital Markets LLC (“VFCM”), which were approved in March 2020, having previously consolidated their broker-dealer activities within VAL as of December 31, 2019. Other principal U.S. subsidiaries include Virtu Financial Global Markets LLC, a U.S. trading entity focused on futures and currencies; Virtu ITG Analytics LLC, a provider of pre and post-trade analysis, fair value, and trade optimization services; and Virtu ITG Platforms LLC, a provider of workflow technology solutions and network connectivity services. Principal foreign subsidiaries include Virtu Financial Ireland Limited and Virtu ITG Europe Limited, each formed in Ireland; Virtu ITG Canada Corp. and Virtu Financial Canada ULC, each formed in Canada; Virtu Financial Asia Pty Ltd. and Virtu ITG Australia Limited, each formed in Australia; Virtu ITG Hong Kong Limited, formed in Hong Kong; and Virtu Financial Singapore Pte. Ltd. and Virtu ITG Singapore Pte. Ltd., each formed in Singapore, all of which are trading entities focused on asset classes in their respective geographic regions.

The Company has two operating segments: (i) Market Making and (ii) Execution Services; and one non-operating segment: Corporate. See Note 20 “Geographic Information and Business Segments” for a further discussion of the Company’s segments.

Basis of Consolidation and Form of Presentation

These condensed consolidated financial statements are presented in U.S. dollars, have been prepared pursuant to the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”) regarding financial reporting with respect to Form 10-Q and accounting standards generally accepted in the United States of America (“U.S. GAAP”) promulgated by the Financial Accounting Standards Board (“FASB”) in the Accounting Standards Codification (“ASC” or the “Codification”), and reflect all adjustments that, in the opinion of management, are normal and recurring, and that are necessary for a fair statement of the results for the periods presented. Certain information and footnote disclosures normally included in financial statements

prepared in accordance with U.S. GAAP have been condensed or omitted in accordance with SEC rules and regulations. The condensed consolidated financial statements are unaudited and should be read in conjunction with the audited consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019. The condensed consolidated financial statements of the Company include its equity interests in Virtu Financial and its subsidiaries. The Company operates and controls all business and affairs of Virtu Financial and its subsidiaries indirectly through its equity interest in Virtu Financial.

Certain reclassifications have been made to the prior periods' condensed consolidated financial statements in order to conform to the current period presentation. Such reclassifications are immaterial, individually and in the aggregate, to both current and all previously issued financial statements taken as a whole and have no effect on previously reported consolidated net income available to common stockholders.

The condensed consolidated financial statements include the accounts of the Company and its majority and wholly-owned subsidiaries. As sole managing member of Virtu Financial, the Company exerts control over the Group's operations. The Company consolidates Virtu Financial and its subsidiaries' financial statements and records the interests in Virtu Financial that the Company does not own as noncontrolling interests. All intercompany accounts and transactions have been eliminated in consolidation.

As discussed in Note 3 "ITG Acquisition", the Company has accounted for the ITG Acquisition under the acquisition method of accounting. Under the acquisition method of accounting, the assets and liabilities of ITG, as of the ITG Closing Date, were recorded at their respective fair values and added to the carrying value of the Company's existing assets and liabilities. The reported financial condition, results of operations and cash flows of the Company for the periods following the ITG Acquisition reflect ITG's and the Company's balances, and reflect the impact of purchase accounting adjustments. The financial results for the three months ended March 31, 2019 comprise the Company's results for the entire applicable period and the results of ITG from the ITG Closing Date through March 31, 2019. All periods prior to the ITG Closing Date comprise solely the Company's results.

2. Summary of Significant Accounting Policies

Use of Estimates

The Company's condensed consolidated financial statements are prepared in conformity with U.S. GAAP, which require management to make estimates and assumptions regarding measurements including the fair value of trading assets and liabilities, goodwill and intangibles, compensation accruals, capitalized software, income tax, tax receivable agreements, leases, litigation accruals, and other matters that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ materially from those estimates.

Earnings Per Share

Earnings per share ("EPS") is calculated on both a basic and diluted basis. Basic EPS excludes dilution and is calculated by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS is calculated by dividing the net income available for common stockholders by the diluted weighted average shares outstanding for that period. Diluted EPS includes the determinants of the basic EPS and, in addition, reflects the dilutive effect of shares of common stock estimated to be distributed in the future under the Company's share based compensation plans.

The Company grants restricted stock units ("RSUs"), certain of which entitle recipients to receive nonforfeitable dividends during the vesting period on a basis equivalent to the dividends paid to holders of common stock. As a result, the unvested RSUs meet the definition of a participating security requiring the application of the two-class method. Under the two-class method, earnings available to common shareholders, including both distributed and undistributed earnings, are allocated to each class of common stock and participating securities according to dividends declared and participating rights in undistributed earnings, which may cause diluted EPS to be more dilutive than the calculation using the treasury stock method.

Cash and Cash Equivalents

Cash and cash equivalents include money market accounts, which are payable on demand, and short-term investments with an original maturity of less than 90 days. The Company maintains cash in bank deposit accounts that, at times, may exceed federally insured limits. The Company manages this risk by selecting financial institutions deemed highly creditworthy to minimize the risk.

Cash restricted or segregated under regulations and other represents (i) special reserve bank accounts for the exclusive benefit of customers (“Special Reserve Bank Account”) maintained by VAL and VITG in accordance with Rule 15c3-3 of the Securities Exchange Act of 1934, as amended (“Customer Protection Rule”), or proprietary accounts of broker-dealers, (ii) funds on deposit for Canadian and European trade clearing and settlement activity, (iii) segregated balances under a collateral account control agreement for the benefit of certain customers in Hong Kong, and (iv) funds relating to the securitization of bank guarantees supporting certain of the Company’s foreign leases.

Securities Borrowed and Securities Loaned

The Company conducts securities borrowing and lending activities with external counterparties. In connection with these transactions, the Company receives or posts collateral, which comprises cash and/or securities. In accordance with substantially all of its stock borrow agreements, the Company is permitted to sell or repledge the securities received. Securities borrowed or loaned are recorded based on the amount of cash collateral advanced or received. The initial cash collateral advanced or received generally approximates or is greater than 102% of the fair value of the underlying securities borrowed or loaned. The Company monitors the fair value of securities borrowed and loaned, and delivers or obtains additional collateral as appropriate. Receivables and payables with the same counterparty are not offset in the Condensed Consolidated Statements of Financial Condition. Interest received or paid by the Company for these transactions is recorded gross on an accrual basis under Interest and dividends income or Interest and dividends expense in the Condensed Consolidated Statements of Comprehensive Income.

Securities Purchased Under Agreements to Resell and Securities Sold Under Agreements to Repurchase

In a repurchase agreement, securities sold under agreements to repurchase are treated as collateralized financing transactions and are recorded at contract value, plus accrued interest, which approximates fair value. It is the Company's policy that its custodian take possession of the underlying collateral securities with a fair value approximately equal to the principal amount of the repurchase transaction, including accrued interest. For reverse repurchase agreements, the Company typically requires delivery of collateral with a fair value approximately equal to the carrying value of the relevant assets in the Condensed Consolidated Statements of Financial Condition. To ensure that the fair value of the underlying collateral remains sufficient, the collateral is valued daily with additional collateral obtained or excess collateral returned, as permitted under contractual provisions. The Company does not net securities purchased under agreements to resell transactions with securities sold under agreements to repurchase transactions entered into with the same counterparty.

The Company has entered into bilateral and tri-party term and overnight repurchase and other collateralized financing agreements which bear interest at negotiated rates. The Company receives cash and makes delivery of financial instruments to a custodian who monitors the market value of these instruments on a daily basis. The market value of the instruments delivered must be equal to or in excess of the principal amount loaned under the repurchase agreements plus the agreed upon margin requirement. The custodian may request additional collateral, if appropriate. Interest received or paid by the Company for these transactions is recorded gross on an accrual basis under Interest and dividends income or Interest and dividends expense in the Condensed Consolidated Statements of Comprehensive Income.

Receivables from/Payables to Broker-dealers and Clearing Organizations

Receivables from and payables to broker-dealers and clearing organizations primarily represent amounts due for unsettled trades, open equity in futures transactions, securities failed to deliver or failed to receive, deposits with clearing organizations or exchanges, and balances due from or due to prime brokers in relation to the Company’s trading. Amounts receivable from broker-dealers and clearing organizations may be restricted to the extent that they serve as deposits for securities sold, not yet purchased. The Company presents its balances, including outstanding principal balances on all broker credit facilities, on a net-by-counterparty basis within receivables from and payables to broker-dealers and clearing organizations when the criteria for offsetting are met.

In the normal course of business, a significant portion of the Company’s securities transactions, money balances, and security positions are transacted with several third-party brokers. The Company is subject to credit risk to the extent any broker

with whom it conducts business is unable to fulfill contractual obligations on its behalf. The Company monitors the financial condition of such brokers and to minimize the risk of any losses from these counterparties.

Financial Instruments Owned Including Those Pledged as Collateral and Financial Instruments Sold, Not Yet Purchased

Financial instruments owned and Financial instruments sold, not yet purchased relate to market making and trading activities, and include listed and other equity securities, listed equity options and fixed income securities.

The Company records Financial instruments owned, Financial instruments owned and pledged, and Financial instruments sold, not yet purchased at fair value. Gains and losses arising from financial instrument transactions are recorded net on a trade-date basis in Trading income, net, in the Condensed Consolidated statements of comprehensive income.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or would be paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date. Fair value measurements are not adjusted for transaction costs. The recognition of “block discounts” for large holdings of unrestricted financial instruments where quoted prices are readily and regularly available in an active market is prohibited. The Company categorizes its financial instruments into a three level hierarchy which prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy level assigned to each financial instrument is based on the assessment of the transparency and reliability of the inputs used in the valuation of such financial instruments at the measurement date 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 measurement) and the lowest priority to unobservable inputs (level 3 measurements).

Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories based on inputs:

Level 1 — Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 — Quoted prices in markets that are not active and financial instruments for which all significant inputs are observable, either directly or indirectly; or

Level 3 — Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

Transfers in or out of levels are recognized based on the beginning fair value of the period in which they occurred.

Fair Value Option

The fair value option election allows entities to make an irrevocable election of fair value as the initial and subsequent measurement attribute for certain eligible financial assets and liabilities. Unrealized gains and losses on items for which the fair value option has been elected are recorded in other, net in the Condensed Consolidated Statements of Comprehensive Income. The decision to elect the fair value option is determined on an instrument by instrument basis, which must be applied to an entire instrument and is irrevocable once elected.

Derivative Instruments - Trading

Derivative instruments are used for trading purposes, including economic hedges of trading instruments, are carried at fair value, and include futures, forward contracts, and options. Gains or losses on these derivative instruments are recognized currently within Trading income, net in the Condensed Consolidated Statement of Comprehensive Income. Fair values for exchange-traded derivatives, principally futures, are based on quoted market prices. Fair values for over-the-counter derivative instruments, principally forward contracts, are based on the values of the underlying financial instruments within the contract. The underlying instruments are currencies, which are actively traded.

The Company presents its trading derivatives balances on a net-by-counterparty basis when the criteria for offsetting are met. Cash flows associated with such derivative activities are included in cash flows from operating activities on the Condensed Consolidated Statements of Cash Flows.

Derivative Instruments - Hedging

The Company may use derivative instruments for risk management purposes, including cash flow hedges used to manage interest rate risk on long-term borrowings and net investment hedges used to manage foreign exchange risk. The Company has entered into floating-to-fixed interest rate swap agreements in order to manage interest rate risk associated with its long-term debt obligations. Additionally, the Company may seek to reduce the impact of fluctuations in foreign exchange rates on its net investment in certain non-U.S. operations through the use of foreign currency forward contracts. For interest rate swap agreements and foreign currency forward contracts designated as hedges, the Company assesses its risk management objectives and strategy, including identification of the hedging instrument, the hedged item and the risk exposure and how effectiveness is to be assessed prospectively and retrospectively. The effectiveness of the hedge is assessed based on the overall changes in the fair value of the interest rate swaps or forward contracts. For instruments that meet the criteria to be considered hedging instruments under ASC 815, any gains or losses, to the extent effective, are included in Accumulated other comprehensive income on the Condensed Consolidated Statements of Financial Condition and Other comprehensive income on the Condensed Consolidated Statements of Comprehensive Income. The ineffective portion, if any, is recorded in Other, net on the Condensed Consolidated Statements of Comprehensive Income.

The Company presents its hedging derivatives balances on a net-by-counterparty basis when the criteria for offsetting are met. Balances associated with hedging derivatives are recorded within Receivables from/Payables to broker-dealers and clearing organizations on the Condensed Consolidated Statements of Financial Condition. Cash flows associated with such derivative activities are included in cash flows from operating activities on the Condensed Consolidated Statements of Cash Flows.

Client Commission Arrangements

Institutional customers are permitted to allocate a portion of their gross commissions to pay for research products and other services provided by third parties and the Company's subsidiaries. The amounts allocated for those purposes are commonly referred to as client commission arrangements. The cost of independent research and directed brokerage arrangements is accounted for on an accrual basis. Commission revenue is recorded when earned on a trade date basis. Payments relating to client commission arrangements are netted against the commission revenues. Research receivable, including prepaid research on behalf of customers and balance transfers due from other broker-dealers, net of an allowance is included in Receivables from customers and Receivables from broker-dealers and clearing organizations, while accrued research payable is included in Accounts payable, accrued expenses, and other liabilities in the Condensed Consolidated Statements of Financial Condition.

Property and Equipment

Property and equipment are carried at cost, less accumulated depreciation, except for the assets acquired in connection with acquisitions using the purchase accounting method, which were recorded at fair value on the respective date of acquisitions. Depreciation is provided using the straight-line method over estimated useful lives of the underlying assets. Routine maintenance, repairs and replacement costs are expensed as incurred and improvements that appreciably extend the useful life of the assets are capitalized. When property and equipment are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in income. Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. Furniture, fixtures, and equipment are depreciated over three to seven years. Leasehold improvements are amortized over the lesser of the life of the improvement or the term of the lease.

Capitalized Software

The Company capitalizes costs of materials, consultants, and payroll and payroll related costs for employees incurred in developing internal-use software and software to be sold, leased, or marketed. Costs incurred during the preliminary project and post-implementation stages are charged to expense.

Management's judgment is required in determining the point at which various projects enter the stages at which costs may be capitalized, in assessing the ongoing value of the capitalized costs, and in determining the estimated useful lives over which the costs are amortized.

Capitalized software development costs and related accumulated amortization are included in Property, equipment and capitalized software in the accompanying Condensed Consolidated Statements of Financial Condition and are amortized over a period of 1.5 to 3 years, which represents the estimated useful lives of the underlying software.

Leases

The Company determines if an arrangement is a lease at the inception of the arrangement. Operating leases are included in Operating lease right-of-use assets and Operating lease liabilities on the Condensed Consolidated Statements of Financial Condition. Operating lease right-of-use (“ROU”) assets are assets that represent the lessee’s right to use, or control the use of, a specified asset for the lease term. Finance leases consist primarily of leases for technology and equipment and are included in Property, equipment, and capitalized software and Accounts payable, accrued expenses and other liabilities on the Condensed Consolidated Statements of Financial Condition. ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at the commencement date. The Company uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of future payments. The ROU assets are reduced by lease incentives and initial direct costs incurred. The Company’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for operating leases and amortization of the finance lease ROU asset is recognized on a straight-line basis over the lease term. Certain of the Company’s lease agreements contain fixed lease payments that contain lease and non-lease components; for such leases, the Company accounts for the lease and non-lease components as a single lease component.

Goodwill

Goodwill represents the excess of the purchase price over the underlying net tangible and intangible assets of the Company’s acquisitions. Goodwill is not amortized but is assessed for impairment on an annual basis and between annual assessments whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is assessed at the reporting unit level, which is defined as an operating segment or one level below the operating segment.

The Company assesses goodwill for impairment on an annual basis on July 1 and on an interim basis when certain events occur or certain circumstances exist. In the impairment assessment as of July 1, 2019, the Company assessed qualitative factors as described in ASC 350-20 for each of its reporting units for any indicators that the fair values of the reporting units were less than their carrying values. No impairment was identified.

Intangible Assets

The Company amortizes finite-lived intangible assets over their estimated useful lives. Finite-lived intangible assets are tested for impairment when impairment indicators are present, and if impaired, they are written down to fair value.

Exchange Memberships and Stock

Exchange memberships are recorded at cost or, if any other than temporary impairment in value has occurred, at a value that reflects management’s estimate of fair value. Exchange memberships acquired in connection with the Acquisition of KCG were recorded at their fair values on the dates of acquisition. Exchange stock includes shares that entitle the Company to certain trading privileges.

Trading Income, net

Trading income, net is comprised of changes in the fair value of trading assets and liabilities (i.e., unrealized gains and losses) and realized gains and losses on trading assets and liabilities. Trading gains and losses on financial instruments owned and financial instruments sold, not yet purchased are recorded on the trade date and reported on a net basis in the Condensed Consolidated Statements of Comprehensive Income.

Commissions, net and Technology Services

Commissions, net, which primarily comprise commissions and commission equivalents earned on institutional client orders, are recorded on a trade date basis. Under a commission management program, the Company allows institutional clients to allocate a portion of their gross commissions to pay for research and other services provided by third parties. The Company recognizes the related revenue when the third party research services are rendered and payments are made. As the Company acts as an agent in these transactions, it records such expenses on a net basis within Commissions, net and technology services in the Condensed Consolidated Statements of Comprehensive Income.

Technology services revenues consist of technology licensing fees and client commission fees. Technology licensing fees are earned from third parties for licensing of the Company's proprietary risk management and trading infrastructure technology and the provision of associated management and hosting services. These fees include both upfront and annual recurring fees, as well as, in certain cases, contingent fees based on client revenues, which represent variable consideration. The services offered under these contracts have the same pattern of transfer; accordingly, they are being measured and recognized as a single performance obligation. The performance obligation is satisfied over time, and accordingly, revenue is recognized as time passes. Variable consideration has not been included in the transaction price as the amount of consideration is contingent on factors outside the Company's control and thus it is not probable that a significant reversal of cumulative revenue recognized will not occur. Recurring fees, which exclude variable consideration, are billed and collected on a quarterly basis.

The Company provides order management software ("OMS") and related software products and connectivity services to customers and recognizes license fee revenues and monthly connectivity fees. License fee revenues, generated for the use of the Company's OMS and other software products, is fixed and recognized at the point in time at which the customer is able to use and benefit from the license. Connectivity revenue is variable in nature, based on the number of live connections, and is recognized over time on a monthly basis using a time-based measure of progress.

The Company also provides analytics products and services to customers and recognizes subscription fees, which are fixed for the contract term, based on when the products and services are delivered. Analytics products and services may be bundled with trade execution services, in which case commissions are allocated to the analytics performance obligations using an allocation methodology.

Interest and Dividends Income/Interest and Dividends Expense

Interest income and interest expense are accrued in accordance with contractual rates. Interest income consists of interest earned on collateralized financing arrangements and on cash held by brokers. Interest expense includes interest expense from collateralized transactions, margin and related lines of credit. Dividends on financial instruments owned including those pledged as collateral and financial instruments sold, not yet purchased are recorded on the ex-dividend date and interest is recognized on an accrual basis.

Brokerage, Exchange and Clearance Fees, Net

Brokerage, exchange and clearance fees, net, comprise the costs of executing and clearing trades and are recorded on a trade date basis. Rebates consist of volume discounts, credits or payments received from exchanges or other market places related to the placement and/or removal of liquidity from the order flow in the marketplace. Rebates are recorded on an accrual basis and included net within brokerage, exchange and clearance fees in the accompanying Condensed Consolidated Statements of Comprehensive Income.

Payments for Order Flow

Payments for order flow represent payments to broker-dealer clients, in the normal course of business, for directing their order flow in U.S. equities to the Company. Payments for order flow are recorded on a trade-date basis in the Condensed Consolidated Statements of Comprehensive Income.

Income Taxes

The Company is subject to U.S. federal, state and local income taxes on its taxable income. The Company's subsidiaries are subject to income taxes in the respective jurisdictions (including foreign jurisdictions) in which they operate.

The provision for income tax is comprised of current tax and deferred tax. Current tax represents the tax on current year tax returns, using tax rates enacted at the balance sheet date. The deferred tax assets are recognized in full and then reduced by a valuation allowance if it is more likely than not that some or all of the deferred tax assets will not be recognized.

The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the applicable taxing authority, including resolution of the appeals or litigation processes, based on the technical merits of the position. The tax benefits recognized in the condensed consolidated financial statements from such a position are measured based on the largest benefit for each such position that has a greater than fifty percent likelihood of being realized upon ultimate resolution. Many factors are considered when evaluating and estimating the

tax positions and tax benefits. Such estimates involve interpretations of regulations, rulings, case law, etc. and are inherently complex. The Company's estimates may require periodic adjustments and may not accurately anticipate actual outcomes as resolution of income tax treatments in individual jurisdictions typically would not be known for several years after completion of any fiscal year.

Comprehensive Income

Comprehensive income consists of two components: net income and other comprehensive income ("OCI"). The Company's OCI is comprised of foreign currency translation adjustments and mark-to-market gains and losses on the Company's derivative instruments designated as hedging instruments under ASC 815.

Assets and liabilities of operations having non-U.S. dollar functional currencies are translated at period-end exchange rates, and revenues and expenses are translated at weighted average exchange rates for the period. Gains and losses resulting from translating foreign currency financial statements, net of related tax effects, are reflected in Accumulated other comprehensive income, a component of stockholders' equity. The Company's foreign subsidiaries generally use the U.S. dollar as their functional currency. The Company also has subsidiaries that utilize a functional currency other than the U.S. dollar, primarily comprising its subsidiaries domiciled in Ireland, which utilize the Euro and Pound Sterling as the functional currency, and subsidiaries domiciled in Canada, which utilize the Canadian dollar as the functional currency.

The Company may use derivative instruments for risk management purposes, including cash flow hedges used to manage interest rate risk on long-term borrowings and net investment hedges used to manage foreign exchange risk. For instruments that meet the criteria to be considered hedging instruments under ASC 815, any gains or losses are included in Accumulated other comprehensive income on the Condensed Consolidated Statements of Financial Condition and Other comprehensive income on the Condensed Consolidated Statements of Comprehensive Income, to the extent they are effective.

Share-Based Compensation

Share-based awards issued for compensation in connection with or subsequent to the Company's initial public offering in April 2015 (the "IPO") and certain reorganization transactions consummated in connection with the IPO (the "Reorganization Transactions") pursuant to the Virtu Financial, Inc. 2015 Management Incentive Plan (as amended, the "Amended and Restated 2015 Management Incentive Plan") and pursuant to the Amended and Restated Investment Technology Group, Inc. 2007 Omnibus Equity Compensation Plan, dated as of June 8, 2017 (the "Amended and Restated ITG 2007 Equity Plan"), are in the form of stock options, Class A common stock, par value \$0.00001 per share (the "Class A Common Stock") and RSUs, as applicable. The fair value of the stock option grants is determined through the application of the Black-Scholes-Merton model. The fair value of the Class A Common Stock and RSUs are determined based on the volume weighted average price for the three days preceding the grant, and with respect to the RSUs, a projected annual forfeiture rate. The fair value of share-based awards granted to employees is expensed based on the vesting conditions and are recognized on a straight-line basis over the vesting period. The Company records as treasury stock shares repurchased from its employees for the purpose of settling tax liabilities incurred upon the issuance of Class A Common Stock, the vesting of RSUs or the exercise of stock options.

Variable Interest Entities

A variable interest entity ("VIE") is an entity that lacks one or more of the following characteristics: (i) the total equity investment at risk is sufficient to enable the entity to finance its activities independently and (ii) the equity holders have the power to direct the activities of the entity that most significantly impact its economic performance, the obligation to absorb the losses of the entity and the right to receive the residual returns of the entity.

The Company will be considered to have a controlling financial interest and will consolidate a VIE if it has both (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

The Company has interests in two joint ventures ("JV") that build and maintain microwave communication networks in the U.S., Europe, and Asia. The Company and its JV partners each pay monthly fees for the use of the microwave communication networks in connection with their respective trading activities, and the JVs may sell excess bandwidth that is not utilized by the JV members to third parties. As of March 31, 2020, the Company held minority stakes of 10% and 50%, respectively, in these JVs.

The Company has an interest in a JV that offers derivatives trading technology and execution services to broker-dealers, professional traders and select hedge funds. As of March 31, 2020, the Company held approximately a 10% minority stake in this JV.

The Company has an interest in a JV that is developing a member-owned equities exchange with the goal of increasing competition and transparency, while reducing fixed costs and simplifying execution of equity trading in the US. As of March 31, 2020, the Company held approximately a 15.8% minority stake in this JV.

The Company's four JVs meet the criteria to be considered VIEs. In each of the JVs, the Company does not have the power to direct the activities of the VIE that most significantly impact the VIE's economic performance; therefore it does not have a controlling financial interest in and does not consolidate the JVs. The Company records its interest in each JV under the equity method of accounting and records its investment in the JVs within Other assets and its amounts payable for communication services provided by the JV within Accounts payable, accrued expenses and other liabilities on the Condensed Consolidated Statements of Financial Condition. The Company records its pro-rata share of each JV's earnings or losses within Other, net and fees related to the use of communication services provided by the JVs within Communications and data processing on the Condensed Consolidated Statements of Comprehensive Income.

The Company's exposure to the obligations of these VIEs is generally limited to its interests in each respective JV, which is the carrying value of the equity investment in each JV.

The following table presents the Company's nonconsolidated VIEs at March 31, 2020:

(in thousands)	Carrying Amount		Maximum Exposure to Loss	VIEs' assets
	Asset	Liability		
Equity investment	\$ 29,138	\$ —	\$ 29,138	\$ 142,829

The following table presents the Company's nonconsolidated VIEs at December 31, 2019:

(in thousands)	Carrying Amount		Maximum Exposure to Loss	VIEs' assets
	Asset	Liability		
Equity investment	\$ 28,579	\$ —	\$ 28,579	\$ 119,051

Accounting Pronouncements, Recently Adopted

Fair Value Measurement - In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement*, which modified the disclosure requirements on fair value measurements in ASC Topic 820, Fair Value Measurement. Disclosure requirements were eliminated for the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy, the policy for timing of transfers between levels, and the valuation processes for Level 3 fair value measurements. Disclosure requirements were modified for liquidation of investments in certain entities that calculate net asset value, and for measurement uncertainty disclosures. Disclosure requirements were added for changes in unrealized gains and losses for the period included in other comprehensive income for recurring Level 3 fair value measurements held at the end of the reporting period and the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements. The Company adopted this ASU on January 1, 2020. The updated disclosures are included in Note 10 "Financial Assets and Liabilities".

Consolidation - In October 2018, the FASB issued ASU 2018-17, *Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities*, which modified how VIEs are assessed for consolidation purposes under ASC Topic 810, Consolidation. Under the update, indirect interests held through related parties in common control arrangements should be considered on a proportional basis for determining whether fees paid to decision makers and service providers are variable interests. The Company adopted this ASU on January 1, 2020, and it did not have a material impact on its condensed consolidated financial statements.

Measurement of Credit Losses on Financial Instruments - In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326) - Measurement of Credit Losses on Financial Instruments*. This ASU amends several aspects of the measurement of credit losses on financial instruments, including replacing the existing incurred credit loss model and other models with the Current Expected Credit Losses model ("CECL"). Under CECL, the allowance for losses for

financial assets that are measured at amortized cost reflects management's estimate of credit losses over the remaining expected life of the financial assets. Expected credit losses for newly recognized financial assets, as well as changes to expected credit losses during the period, would be recognized in earnings, and adoption of the ASU will generally result in earlier recognition of credit losses. Expected credit losses will be measured based on historical experience, current conditions and forecasts that affect the collectability of the reported amount, and credit losses will be generally recognized earlier than under current U.S. GAAP.

The Company adopted this ASU on January 1, 2020 using the modified retrospective method of adoption. The ASU impacts only those financial instruments that are carried by the Company at amortized cost such as collateralized financing arrangements (repurchase agreements and securities borrowing/ lending transactions) and receivables from customers, broker-dealers and clearing organizations. The adoption of this ASU did not have a material impact to the Company's financial condition, results of operations or cash flows.

Accounting Pronouncements, Not Yet Adopted as of March 31, 2020

Income Taxes - In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*. The ASU removes certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period, and the recognition of deferred tax liabilities for outside basis differences. The ASU also amends other aspects of the guidance relating to the accounting for franchise taxes, enacted changes in tax laws or rates, the accounting for transactions that result in a step-up in the tax basis of goodwill, and other tax-related items. The ASU is effective for periods beginning after December 15, 2020, including interim periods within that fiscal year; early adoption is permitted. Most amendments within the ASU are required to be applied on a prospective basis, while certain amendments must be applied on a retrospective or modified retrospective basis. The Company is currently evaluating the impact of the new standard on its condensed consolidated financial statements and related disclosures.

Reference Rate Reform - In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which is designed to ease the potential burden in accounting for the transition away from LIBOR. The ASU applies to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued and replaced with alternative reference rates as a result of reference rate reform. The ASU provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions affected by reference rate reform if certain criteria are met. The ASU is effective for all entities as of March 12, 2020 through December 31, 2022. The Company is evaluating the impact of the ASU, but does not expect it to have a material impact on its Condensed Consolidated Financial Statements and related disclosures.

3. ITG Acquisition

Background

On the ITG Closing Date, the Company completed the ITG Acquisition. In connection with the ITG Acquisition, Virtu Financial, VFH Parent LLC, a Delaware limited liability company and a subsidiary of Virtu Financial ("VFH") and Impala Borrower LLC (the "Acquisition Borrower"), a subsidiary of the Company, entered into a Credit Agreement dated as of March 1, 2019 (as amended from time to time, the "Credit Agreement"), with the lenders party thereto, Jefferies Finance LLC, as administrative agent and Jefferies Finance LLC and RBC Capital Markets, as joint lead arrangers and joint bookrunners. The Credit Agreement provided (i) a senior secured first lien term loan in an aggregate principal amount of \$1,500.0 million, drawn in its entirety on the ITG Closing Date, with approximately \$404.5 million borrowed by VFH to repay all amounts outstanding under its existing term loan facility and the remaining approximately \$1,095.0 million borrowed by the Acquisition Borrower to finance the consideration and fees and expenses paid in connection with the ITG Acquisition, and (ii) a \$50.0 million senior secured first lien revolving facility to VFH, with a \$5.0 million letter of credit subfacility and a \$5.0 million swingline subfacility. After the closing of the ITG Acquisition, VFH assumed the obligations of the Acquisition Borrower in respect of the acquisition term loans. The Credit Agreement was subsequently amended as described further in Note 9 "Borrowings". Additionally, on the ITG Closing Date, the Company's fourth amended and restated credit agreement (as amended on January 2, 2018 and September 19, 2018, the "Fourth Amended and Restated Credit Agreement") with the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent, sole lead arranger and bookrunner, was terminated.

Accounting treatment of the ITG Acquisition

The ITG Acquisition has been accounted for as a business combination pursuant to ASC 805, *Business Combinations* by the Company using the acquisition method of accounting. Under the acquisition method, the assets and liabilities of ITG, as of the ITG Closing Date, were recorded at their respective fair values and added to the carrying value of the Company's existing assets and liabilities. The reported financial condition and results of operations of the Company for the periods following the ITG Closing Date reflect ITG's and the Company's balances and reflect the impact of purchase accounting adjustments. As the Company is the accounting acquirer, the financial results for the three months ended March 31, 2019 comprise the results of the Company for the entire applicable period and the results of ITG from the ITG Closing Date through March 31, 2019. All periods prior to the ITG Closing Date comprise solely the results of the Company.

Certain former ITG management employees were terminated upon the ITG Acquisition, and as a result were paid an aggregate of \$17.6 million pursuant to their existing employment contracts and arrangements. This amount has been recognized as an expense by the Company and is included in Employee compensation and payroll taxes in the Condensed Consolidated Statements of Comprehensive Income for the three months ended March 31, 2019.

Purchase price and goodwill

The aggregate cash purchase price of approximately \$1.0 billion was determined as the sum of the fair value, at \$30.30 per share, of ITG shares outstanding held by former ITG stockholders at closing and the fair value of certain ITG employee stock-based awards that were outstanding, and which vested at the ITG Closing Date.

The purchase price was allocated to the assets acquired and liabilities assumed using their fair values at the ITG Closing Date. The Company engaged third party specialists for the purchase price allocation.

Amounts allocated to intangible assets, the amortization period and goodwill were as follows:

(in thousands)	Amount	Amortization Years
Technology	\$ 76,000	5
Customer relationships	437,600	10
Trade names	3,600	3
Intangible assets	517,200	
Goodwill	312,343	
Total	<u>\$ 829,543</u>	

The Company estimated the fair value of the intangible assets, which involved the use of significant estimates and assumptions with respect to the timing and amounts of revenue growth rates, customer attrition rates, future tax rates, royalty rates, contributory asset charges, discount rate and the resulting cash flows. The total Goodwill of \$312.3 million was assigned to the Execution Services segment. Such goodwill is attributable to the expansion of product offerings and expected synergies of the combined workforce, products and technologies of the Company and ITG.

Assumption of Equity Compensation Plan

On the ITG Closing Date, the Company assumed the Amended and Restated ITG 2007 Equity Plan and certain stock option awards, restricted stock unit awards, deferred stock unit awards and performance stock unit awards granted under the Amended and Restated ITG 2007 Equity Plan (the "Assumed Awards"). The Assumed Awards are subject to the same terms and conditions that were applicable to them under the Amended and Restated ITG 2007 Equity Plan, except that (i) the Assumed Awards relate to shares of the Company's Class A Common Stock, (ii) the number of shares of Class A Common Stock subject to the Assumed Awards was the result of an adjustment based upon an Exchange Ratio (as defined in the Agreement and Plan of Merger by and between the Company, Impala Merger Sub, Inc., a Delaware corporation and an indirect wholly owned subsidiary of the Company, and ITG, dated as of November 6, 2018, the "ITG Merger Agreement") and (iii) the performance share unit awards were converted into service-based vesting restricted stock unit awards that were no longer subject to any performance-based vesting conditions. As of the ITG Closing Date, the aggregate number of shares of Class A Common Stock subject to such Assumed Awards was 2,497,028 and the aggregate number of shares of Class A Common Stock

that remained issuable pursuant to the Amended and Restated ITG 2007 Equity Plan was 1,230,406. The Company filed with the SEC a Registration Statement on Form S-8 on the ITG Closing Date to register such shares of Class A Common Stock.

Tax treatment of the ITG Acquisition

The ITG Acquisition will be treated as a tax-free transaction as described in Section 351 of the Internal Revenue Code. ITG's tax basis in its assets and liabilities therefore generally carried over to the Company following the ITG Acquisition. None of the goodwill is expected to be deductible for tax purposes.

The Company recorded deferred tax assets of \$17.6 million and deferred tax liabilities of \$71.1 million with respect to recording ITG's assets and liabilities under the purchase method of accounting as described above as well as recording the value of other tax attributes acquired as a result of the ITG Acquisition, as described in Note 13 "Income Taxes".

4. Earnings per Share

The below table contains a reconciliation of net income (loss) before noncontrolling interest to net income (loss) available for common stockholders:

(in thousands)	Three Months Ended March 31,	
	2020	2019
Income (loss) before income taxes and noncontrolling interest	\$ 466,225	\$ (16,204)
Provision for (benefit from) income taxes	77,987	(2,585)
Net income (loss)	388,238	(13,619)
Noncontrolling interest	(167,169)	6,946
Net income (loss) available for common stockholders	\$ 221,069	\$ (6,673)

The calculation of basic and diluted earnings per share is presented below:

(in thousands, except for share or per share data)	Three Months Ended March 31,	
	2020	2019
Basic earnings (loss) per share:		
Net income (loss) available for common stockholders	\$ 221,069	\$ (6,673)
Less: Dividends and undistributed earnings allocated to participating securities	(5,287)	(441)
Net income (loss) available for common stockholders, net of dividends and undistributed earnings allocated to participating securities	215,782	(7,114)
Weighted average shares of common stock outstanding:		
Class A	119,757,158	107,319,812
Basic earnings (loss) per share	\$ 1.80	\$ (0.07)

(in thousands, except for share or per share data)	Three Months Ended March 31,	
	2020	2019
Diluted earnings (loss) per share:		
Net income (loss) available for common stockholders, net of dividends and undistributed earnings allocated to participating securities	\$ 215,782	\$ (7,114)
Weighted average shares of common stock outstanding:		
Class A		
Issued and outstanding	119,757,158	107,319,812
Issuable pursuant to Amended and Restated 2015 Management Incentive Plan (1)	31,317	—
	119,788,475	107,319,812
Diluted earnings (loss) per share	\$ 1.80	\$ (0.07)

- (1) The dilutive impact excludes from the computation of earnings (loss) per share 76,817 unexercised stock options issuable pursuant to the Amended and Restated Investment Technology Group, Inc. 2007 Omnibus Equity Compensation Plan, and 3,000,000 unexercised warrants for the three months ended March 31, 2020, and 864,601 options and 168,221 restricted stock units for the three months ended March 31, 2019, because the inclusion of these instruments would have been anti-dilutive.

5. Tax Receivable Agreements

In connection with the IPO and the Reorganization Transactions, the Company entered into tax receivable agreements to make payments to certain pre-IPO equity holders (“Virtu Members”) that are generally equal to 85% of the applicable cash tax savings, if any, that the Company actually realizes as a result of favorable tax attributes that were and will continue to be available to the Company as a result of the Reorganization Transactions, exchanges of membership interests for Class A Common Stock or Class B common stock, par value \$0.00001 per share (the “Class B Common Stock”), (an “Exchange”), and payments made under the tax receivable agreements. An Exchange during the year will give rise to favorable tax attributes that may generate cash tax savings specific to the Exchange to be realized over a specific period of time (generally 15 years). At each Exchange, management estimates the Company’s cumulative TRA obligations to be reported on the Condensed Consolidated Statement of Financial Condition, which amounted to \$256.0 million and \$269.3 million as of March 31, 2020 and December 31, 2019, respectively. The tax attributes are computed as the difference between the Company’s basis in the partnership interest (“outside basis”) as compared to the Company’s share of the adjusted tax basis of partnership property (“inside basis”) at the time of each Exchange. The computation of inside basis requires management to make judgments in estimating the components included in the inside basis as of the date of the Exchange (i.e., cash received by the Company on hypothetical sale of assets, allocation of gain/loss to the Company at the time of the Exchange taking into account complex partnership tax rules). In addition, management estimates the period of time that may generate cash tax savings of such tax attributes and the realizability of the tax attributes. Payments will occur only after the filing of the U.S. federal and state income tax returns and realization of the cash tax savings from the favorable tax attributes. The Company made its first payment of \$7.0 million in February 2017, its second payment of \$12.4 million in September 2018, and its third payment of \$13.3 million in March 2020.

As a result of (i) the purchase of equity interests in Virtu Financial from certain Virtu Members in connection with the Reorganization Transactions, (ii) the purchase of non-voting common interest units in Virtu Financial (the “Virtu Financial Units”) (along with the corresponding shares of Class C common stock, par value \$0.00001 per share (the “Class C Common Stock”)) from certain of the Virtu Members in connection with the IPO, (iii) the purchase of Virtu Financial Units (along with the corresponding shares of Class C Common Stock) and the exchange of Virtu Financial Units (along with the corresponding shares of Class C Common Stock) for shares of Class A Common Stock in connection with the secondary offerings completed in November 2015 (the “November 2015 Secondary Offering”) and September 2016 (the “September 2016 Secondary Offering”), and (iv) the purchase of Virtu Financial Units (along with corresponding shares of the Company’s Class D common stock, par value \$0.00001 per share (the “Class D Common Stock”) in connection with the May 2018 Secondary Offering (defined below) and the May 2019 Secondary Offering (defined below, and, together with the November 2015 Secondary Offering, the September 2016 Secondary Offering, and the May 2018 Secondary Offering, the “Secondary Offerings”), payments to certain Virtu Members in respect of the purchases are expected to range from approximately \$3.3 million to \$20.7 million per year over the next 15 years.

In connection with the employee exchanges and May 2018 Secondary Offering between the Company and TJMT Holdings LLC and the other selling stockholders, both as described in Note 17 “Capital Structure”, the Company recorded an

additional deferred tax asset of \$78.7 million and a payment liability pursuant to the tax receivable agreements of \$79.7 million, with the \$1.0 million difference recorded as a decrease to additional paid-in capital.

In connection with the employee exchanges and May 2019 Secondary Offering between the Company and TJMT Holdings LLC and the other selling stockholders, both as described in Note 17 “Capital Structure”, the Company recorded an additional deferred tax asset of \$49.1 million and payment liability pursuant to the tax receivable agreements of \$54.9 million, with the \$5.8 million difference recorded as a decrease to additional paid-in capital.

As a result of the reduction in the U.S. corporate income tax rate as further described in Note 13 “Income Taxes”, the aforementioned deferred tax asset and related payment liability were subsequently reduced, and the Company recorded a reduction of its tax receivable agreement obligation of \$86.6 million due to the change in the corporate income tax rate.

At March 31, 2020 and December 31, 2019, the Company’s remaining deferred tax assets that relate to the matters described above were approximately \$193.1 million and \$197.6 million, respectively, and the Company’s liabilities over the next 15 years pursuant to the tax receivable agreements were approximately \$256.0 million and \$269.3 million, respectively. The amounts recorded as of March 31, 2020 are based on best estimates available at the respective dates and may be subject to change after the filing of the Company’s U.S. federal and state income tax returns for the years in which tax savings were realized.

For the tax receivable agreements discussed above, the cash savings realized by the Company are computed by comparing the actual income tax liability of the Company to the amount of such taxes the Company would have been required to pay had there been (i) no increase to the tax basis of the assets of Virtu Financial as a result of the purchase or exchange of Virtu Financial Units, (ii) no tax benefit from the tax basis in the intangible assets of Virtu Financial on the date of the IPO and (iii) no tax benefit as a result of the Net Operating Losses (“NOLs”) and other tax attributes of Virtu Financial. Subsequent adjustments of the tax receivable agreements obligations due to certain events (e.g., changes to the expected realization of NOLs or changes in tax rates) will be recognized within income before taxes and noncontrolling interests in the Condensed Consolidated Statements of Comprehensive Income.

6. Goodwill and Intangible Assets

The Company has two operating segments: (i) Market Making; (ii) Execution Services; and one non-operating segment: Corporate. As of March 31, 2020 and December 31, 2019, the Company’s total amount of goodwill recorded was \$1,148.9 million. No goodwill impairment was recognized during the three months ended March 31, 2020 or 2019.

The following table presents the details of goodwill by segment as of March 31, 2020 and December 31, 2019:

(in thousands)	Market Making	Execution Services	Corporate	Total
Balance as of period-end	\$ 755,292	\$ 393,634	\$ —	\$ 1,148,926

As of March 31, 2020 and December 31, 2019, the Company’s total amount of intangible assets recorded was \$510.7 million and \$529.6 million, respectively. Acquired intangible assets consisted of the following as of March 31, 2020 and December 31, 2019:

(in thousands)	As of March 31, 2020					
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Useful Lives (Years)		
Purchased technology	\$ 110,000	\$ (110,000)	\$ —	1.4	to	2.5
ETF issuer relationships	950	(796)	154	9		
ETF buyer relationships	950	(796)	154	9		
Technology	136,000	(64,644)	71,356	1	to	6
Customer relationships	486,600	(58,417)	428,183	10	to	12
Trade name	3,600	(1,300)	2,300	3		
Favorable occupancy leases	5,895	(2,244)	3,651	3	to	15
Exchange memberships	4,882	—	4,882	Indefinite		
	<u>\$ 748,877</u>	<u>\$ (238,197)</u>	<u>\$ 510,680</u>			

(in thousands)	As of December 31, 2019			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Useful Lives (Years)
Purchased technology	\$ 110,000	\$ (110,000)	\$ —	1.4 to 2.5
ETF issuer relationships	950	(770)	180	9
ETF buyer relationships	950	(770)	180	9
Technology	136,000	(58,203)	77,797	1 to 6
Customer relationships	486,600	(46,456)	440,144	10 to 12
Trade name	3,600	(1,000)	2,600	3
Favorable occupancy leases	5,895	(2,040)	3,855	3 to 15
Exchange memberships	4,882	—	4,882	Indefinite
	<u>\$ 748,877</u>	<u>\$ (219,239)</u>	<u>\$ 529,638</u>	

Amortization expense relating to finite-lived intangible assets was approximately \$19.0 million and \$10.9 million for the three months ended March 31, 2020 and 2019, respectively. This is included in Amortization of purchased intangibles and acquired capitalized software in the accompanying Condensed Consolidated Statements of Comprehensive Income.

7. Receivables from/Payables to Broker-Dealers and Clearing Organizations

The following is a summary of receivables from and payables to brokers-dealers and clearing organizations at March 31, 2020 and December 31, 2019:

(in thousands)	March 31, 2020	December 31, 2019
Assets		
Due from prime brokers	\$ 1,262,998	\$ 418,059
Deposits with clearing organizations	359,426	231,977
Net equity with futures commission merchants	201,588	267,748
Unsettled trades with clearing organization	373,189	214,618
Securities failed to deliver	351,938	178,324
Commissions and fees	13,582	7,858
Total receivables from broker-dealers and clearing organizations	<u>\$ 2,562,721</u>	<u>\$ 1,318,584</u>
Liabilities		
Due to prime brokers	\$ 239,639	\$ 511,524
Net equity with futures commission merchants	78,860	50,950
Unsettled trades with clearing organization	282,766	118,286
Securities failed to receive	576,780	144,494
Commissions and fees	2,784	1,496
Total payables to broker-dealers and clearing organizations	<u>\$ 1,180,829</u>	<u>\$ 826,750</u>

Included as a deduction from “Due from prime brokers” and “Net equity with futures commission merchants” is the outstanding principal balance on all of the Company’s prime brokerage credit facilities (described in Note 9 “Borrowings”) of approximately \$283.0 million and \$134.3 million as of March 31, 2020 and December 31, 2019, respectively. The loan proceeds from the credit facilities are available only to meet the initial margin requirements associated with the Company’s ordinary course futures and other trading positions, which are held in the Company’s trading accounts with an affiliate of the respective financial institutions. The credit facilities are fully collateralized by the Company’s trading accounts and deposit accounts with these financial institutions. “Securities failed to deliver” and “Securities failed to receive” include amounts with a clearing organization and other broker-dealers.

8. Collateralized Transactions

The Company is permitted to sell or repledge securities received as collateral and use these securities to secure repurchase agreements, enter into securities lending transactions or deliver these securities to counterparties or clearing organizations to cover short positions. At March 31, 2020 and December 31, 2019, substantially all of the securities received as collateral have been repledged. The fair value of the collateralized transactions at March 31, 2020 and December 31, 2019 are summarized as follows:

(in thousands)	March 31, 2020	December 31, 2019
Securities received as collateral:		
Securities borrowed	\$ 1,263,426	\$ 1,881,005
Securities purchased under agreements to resell	75,147	142,922
	<u>\$ 1,338,573</u>	<u>\$ 2,023,927</u>

In the normal course of business, the Company pledges qualified securities with clearing organizations to satisfy daily margin and clearing fund requirements.

Financial instruments owned and pledged, where the counterparty has the right to repledge, at March 31, 2020 and December 31, 2019 consisted of the following:

(in thousands)	March 31, 2020	December 31, 2019
Equities	\$ 729,960	\$ 654,366
Exchange traded notes	49,083	42,590
	<u>\$ 779,043</u>	<u>\$ 696,956</u>

9. Borrowings

Short-term Borrowings, net

The following summarizes the Company's short-term borrowing balances outstanding, net of related debt issuance costs, with each described in further detail below.

(in thousands)	March 31, 2020		
	Borrowing Outstanding	Deferred Debt Issuance Cost	Short-term Borrowings, net
Broker-dealer credit facilities	\$ 239,000	\$ (2,427)	\$ 236,573
Short-term bank loans	180,486	—	180,486
First Lien Revolving Facility	15,000	(559)	14,441
	<u>\$ 434,486</u>	<u>\$ (2,986)</u>	<u>\$ 431,500</u>
(in thousands)	December 31, 2019		
	Borrowing Outstanding	Deferred Debt Issuance Cost	Short-term Borrowings, net
Broker-dealer credit facilities	\$ 30,000	\$ (2,100)	\$ 27,900
Short-term bank loans	45,586	—	45,586
	<u>\$ 75,586</u>	<u>\$ (2,100)</u>	<u>\$ 73,486</u>

Broker-Dealer Credit Facilities

The Company is a party to two secured credit facilities with a financial institution to finance overnight securities positions purchased as part of its ordinary course broker-dealer market making activities. One of the facilities (the "Uncommitted Facility") is provided on an uncommitted basis with an aggregate borrowing limit of \$200 million, which was subsequently increased to \$300 million in January 2020, and is collateralized by the trading and deposit account of one of the Company's broker-dealer subsidiaries maintained at the financial institution.

On November 3, 2017, the Company entered into the second credit facility (the “Committed Facility”) with the same financial institution for an aggregate borrowing limit of \$500 million. The Committed Facility was subsequently amended and restated March 1, 2019 to increase the borrowing limit to \$600 million and to enable a broker-dealer subsidiary of ITG as a borrower thereunder, amended again on September 23, 2019 to adjust certain sublimits and required minimum total regulatory capital, and amended further on March 12, 2020 to adjust certain sublimits. The Committed Facility consists of two borrowing bases: Borrowing Base A Loan is to be used to finance the purchase and settlement of securities; Borrowing Base B Loan is to be used to fund margin deposit with the National Securities Clearing Corporation. Each of the broker-dealers has a sublimit under Borrowing Base A Loan, from \$300 million to \$600 million, which bears interest at the adjusted LIBOR or base rate plus 1.25% per annum. Each of the broker-dealers has a sublimit under Borrowing Base B Loan, from \$100 million to \$150 million, or up to \$300 million prior to a specified trigger date not later than July 1, 2020, which bears interest at the adjusted LIBOR or base rate plus 2.50% per annum. A commitment fee of 0.50% per annum on the average daily unused portion of this facility is payable quarterly in arrears.

On March 10, 2020, a broker-dealer subsidiary of the Company entered into a short term loan arrangement with Jefferies Financial Group, Inc., as lender, for a \$20 million demand loan (the “Demand Loan”) repayable no later than ninety (90) days after the date of borrowing. The Demand Loan bears interest at a rate of 10% per annum, increased by 2.0% with respect to any principal amounts not paid when due and owing. If an event of default occurs and is continuing, the lender may declare all loans immediately due and payable. The Demand Loan was repaid in full as of April 17, 2020.

On March 20, 2020, VAL, a broker-dealer subsidiary of the Company, entered into a Loan Agreement (the “Founder Member Loan Facility”) with TJMT Holdings LLC (the “Founder Member”), as lender and administrative agent, providing for unsecured term loans from time to time (the “Founder Member Loans”) in an aggregate original principal amount not to exceed \$300 million. The Founder Member Loans may be borrowed in one or more borrowings on or after March 20, 2020 and prior to September 20, 2020, as further described below. VAL intends use the proceeds of the Founder Member Loans solely to finance the purchase and settlement of securities and to fund margin deposits with the National Securities Clearing Corporation and Options Clearing Corporation. The Founder Member is an affiliate of Mr. Vincent Viola, the Company’s founder and Chairman Emeritus. Upon the execution of and in consideration for the Lender’s commitments under the Loan Agreement, the Company delivered to the Founder Member a warrant to purchase shares of the Company’s Class A Common Stock. Terms of the warrant are set forth in further detail in Note 17 “Capital Structure”. The interest rate for the Founder Member Loans, to the extent drawn and outstanding, will be 8.0% per annum, and the Founder Member Loans will be due on September 20, 2020. If an event of default occurs and is continuing, the Lender may increase the interest rate 2.0% above what would otherwise be applicable on overdue amounts, and declare all Founder Member Loans immediately due and payable. VAL may prepay the Founder Member Loans in whole or in part at any time without penalty. The foregoing description of the Founder Member Loan Facility does not purport to be complete and is qualified in its entirety by reference to the complete text of the Founder Member Loan Facility, which is filed as an exhibit hereto.

The following summarizes the Company’s broker-dealer credit facilities’ carrying values, net of unamortized debt issuance costs, where applicable. These balances are included within Short-term borrowings on the Condensed Consolidated Statement of Financial Condition.

(in thousands)	At March 31, 2020				
	Interest Rate	Financing Available	Borrowing Outstanding	Deferred Debt Issuance Cost	Outstanding Borrowings, net
Broker-dealer credit facilities:					
Uncommitted facility	1.09%	\$ 300,000	\$ 209,000	\$ (2,427)	\$ 206,573
Committed facility	2.24%	600,000	10,000	—	10,000
Demand Loan	10.00%	20,000	20,000	—	20,000
Founder Member Loan Facility (1)	8.00%	300,000	—	—	—
		<u>\$ 1,220,000</u>	<u>\$ 239,000</u>	<u>\$ (2,427)</u>	<u>\$ 236,573</u>

(1) \$13.1 million of deferred debt issuance costs associated with warrants issued and legal fees incurred for the Founder Member Loan Facility are included within Other assets on the Condensed Consolidated Statement of Financial Condition

(in thousands)	At December 31, 2019				
	Interest Rate	Financing Available	Borrowing Outstanding	Deferred Debt Issuance Cost	Outstanding Borrowings, net
Broker-dealer credit facilities:					
Uncommitted facility	2.55%	\$ 200,000	\$ 30,000	\$ (2,100)	\$ 27,900
Committed facility	3.01%	600,000	—	—	—
		<u>\$ 800,000</u>	<u>\$ 30,000</u>	<u>\$ (2,100)</u>	<u>\$ 27,900</u>

The following summarizes interest expense for the broker-dealer facilities. Interest expense is included within Interest and dividends expense in the accompanying Condensed Consolidated Statements of Comprehensive Income.

(in thousands)	Three Months Ended March 31,	
	2020	2019
Broker-dealer credit facilities:		
Uncommitted facility	\$ 632	\$ 184
Committed facility	160	73
Demand Loan	117	—
	<u>\$ 909</u>	<u>\$ 257</u>

Short-Term Bank Loans

The Company's international securities clearance and settlement activities are funded with operating cash or with short-term bank loans in the form of overdraft facilities. At March 31, 2020, there was \$180.5 million associated with international settlement activities outstanding under these facilities at a weighted average interest rate of approximately 2.1%. At December 31, 2019, there was \$45.6 million associated with international settlement activities outstanding under these facilities at a weighted average interest rate of approximately 4.5%. These short-term bank loan balances are included within Short-term borrowings on the Condensed Consolidated Statement of Financial Condition.

First Lien Revolving Facility

The Company's Amended Credit Agreement (as defined below) provides for a \$50.0 million senior secured first lien revolving facility. At March 31, 2020, there was \$15.0 million of principal outstanding on this facility with an interest rate of 5.8%. Interest expense in relation to the facility was \$0.3 million for the three months ended March 31, 2020. There were no outstanding borrowings under the facility as of December 31, 2019.

Prime Brokerage Credit Facilities

The Company maintains short-term credit facilities with various prime brokers and other financial institutions from which it receives execution or clearing services. The proceeds of these facilities are used to meet margin requirements associated with the products traded by the Company in the ordinary course, and amounts borrowed are collateralized by the Company's trading accounts with the applicable financial institution.

	At March 31, 2020		
	Weighted Average Interest Rate	Financing Available	Borrowing Outstanding
Prime Brokerage Credit Facilities:			
Prime brokerage credit facilities (1)	2.96%	\$ 616,000	\$ 282,991
		<u>\$ 616,000</u>	<u>\$ 282,991</u>

	At December 31, 2019		
	Weighted Average Interest Rate	Financing Available	Borrowing Outstanding
Prime Brokerage Credit Facilities:			
Prime brokerage credit facilities (1)	4.22%	\$ 586,000	\$ 134,331
		<u>\$ 586,000</u>	<u>\$ 134,331</u>

(1) Outstanding borrowings are included with Receivables from/ Payables to broker-dealers and clearing organizations within the Condensed Consolidated Statements of Financial Condition.

Interest expense in relation to the facilities was approximately \$1.3 million and \$1.9 million for the three months ended March 31, 2020 and 2019, respectively.

Long-Term Borrowings

The following summarizes the Company's long-term borrowings, net of unamortized discount and debt issuance costs, where applicable:

(in thousands)	Maturity Date	Interest Rate	At March 31, 2020			
			Outstanding Principal	Discount	Deferred Debt Issuance Cost	Outstanding Borrowings, net
Long-term borrowings:						
First Lien Term Loan Facility	March 2026	4.01%	\$ 1,925,000	\$ (6,365)	\$ (35,425)	\$ 1,883,210
SBI bonds	January 2023	5.00%	32,546	—	(207)	32,339
			<u>\$ 1,957,546</u>	<u>\$ (6,365)</u>	<u>\$ (35,632)</u>	<u>\$ 1,915,549</u>
(in thousands)	Maturity Date	Interest Rate	At December 31, 2019			
			Outstanding Principal	Discount	Deferred Debt Issuance Cost	Outstanding Borrowings, net
Long-term borrowings:						
First Lien Term Loan Facility	March 2026	5.20%	\$ 1,925,000	\$ (6,795)	\$ (32,513)	\$ 1,885,692
SBI bonds	January 2023	5.00%	32,225	—	(51)	32,174
			<u>\$ 1,957,225</u>	<u>\$ (6,795)</u>	<u>\$ (32,564)</u>	<u>\$ 1,917,866</u>

Credit Agreement

As described in Note 3 "ITG Acquisition", in connection with the ITG Acquisition, Virtu Financial, VFH and the Acquisition Borrower entered into the Credit Agreement, with the lenders party thereto, Jefferies Finance LLC, as administrative agent and Jefferies Finance LLC and RBC Capital Markets, as joint lead arrangers and joint bookrunners.

The Credit Agreement provided (i) a senior secured first lien term loan (together with the Incremental Term Loans, as defined below; the "First Lien Term Loan Facility") in an aggregate principal amount of \$1,500 million, drawn in its entirety on the ITG Closing Date, with approximately \$404.5 million borrowed by VFH to repay all amounts outstanding under the Existing Term Loan Facility (as defined below) and the remaining approximately \$1,095 million borrowed by the Acquisition Borrower to finance the consideration and fees and expenses paid in connection with the ITG Acquisition, and (ii) a \$50.0 million senior secured first lien revolving facility to VFH (the "First Lien Revolving Facility"), with a \$5.0 million letter of credit subfacility and a \$5.0 million swingline subfacility. After the ITG Closing Date, VFH assumed the obligations of the Acquisition Borrower in respect of the acquisition term loans.

On October 9, 2019 (the "Amendment No. 1 Closing Date"), VFH entered into Amendment No. 1 ("Amendment No. 1"), which amended the Credit Agreement dated as of March 1, 2019 by and among VFH, Virtu Financial, the lenders party thereto, and Jefferies Finance, LLC, as administrative agent and collateral agent, to, among other things, provide for \$525.0 million in aggregate principal amount of incremental term loans (the "Incremental Term Loans"), and amend the related collateral agreement. On the Amendment No. 1 Closing Date, VFH borrowed the Incremental Term Loans and used the proceeds together with available cash to redeem all of the \$500.0 million aggregate principal amount of the outstanding 6.750% Senior Secured Second Lien Notes (as defined below) due 2022 issued by VFH and Orchestra Co Issuer, Inc., a Delaware corporation and indirect subsidiary of the Company (together with VFH, the "Issuers"), and pay related fees and expenses. The

terms, conditions and covenants applicable to the Incremental Term Loans are the same as the terms, conditions and covenants applicable to the existing term loans under the Credit Agreement, including a maturity date of March 1, 2026.

On March 2, 2020 (the “Amendment No. 2 Closing Date”), VFH entered into Amendment No. 2 (“Amendment No. 2”), which further amended the Credit Agreement (as amended by Amendment No. 1 and Amendment No. 2, the “Amended Credit Agreement”) to, among other things, reduce the interest rate spread over adjusted LIBOR or the alternate base rate by 0.50% per annum and eliminated any stepdown in the spread based on VFH’s first lien leverage ratio. The term loan borrowings and revolver borrowings under the Amended Credit Agreement bear interest at a per annum rate equal to, at the Company’s election, either (i) the greatest of (a) the prime rate in effect, (b) the greater of (1) the federal funds effective rate and (2) the overnight bank funding rate, in each case plus 0.50%, (c) an adjusted LIBOR rate for a Eurodollar borrowing with an interest period of one month plus 1.00% and (d) 1.00%, plus, in each case, 2.00%, or (ii) the greater of (x) an adjusted LIBOR rate for the interest period in effect and (y) 0%, plus, in each case, 3.00%. In addition, a commitment fee accrues at a rate of 0.50% per annum on the average daily unused amount of the First Lien Revolving Facility, with stepdowns to 0.375% and 0.25% per annum based on VFH’s first lien leverage ratio, and is payable quarterly in arrears.

On January 29, 2020, the Company entered into a five-year \$1,000 million floating-to-fixed interest rate swap agreement. The Company also previously entered into a five-year \$525 million floating-to-fixed interest rate swap agreement. As these two interest rate swaps meet the criteria to be considered qualifying cash flow hedges under ASC 815, they effectively fix interest payment obligations on \$1,000 million and \$525.0 million of principal under the First Lien Term Loan Facility at rates of 4.4% and 4.3% through January 2025 and September 2024, respectively, based on the interest rates set forth in the Amended Credit Agreement.

The First Lien Revolving Facility under the Amended Credit Agreement is subject to a springing net first lien leverage ratio test which may spring into effect as of the last day of a fiscal quarter if usage of the aggregate revolving commitments exceeds a specified level as of such date. VFH is also subject to contingent principal prepayments based on excess cash flow and certain other triggering events. Borrowings under the Amended Credit Agreement are guaranteed by Virtu Financial and VFH’s material non-regulated domestic restricted subsidiaries and secured by substantially all of the assets of VFH and the guarantors, in each case, subject to certain exceptions.

Under the Amended Credit Agreement, term loans will mature on March 1, 2026. The term loans amortize in annual installments equal to 1.0% of the original aggregate principal amount of the term loans. The revolving commitments will terminate on March 1, 2022. During the year ended December 31, 2019, \$100.0 million was repaid under the First Lien Term Loan Facility. As of March 31, 2020, \$1,925 million was outstanding under the First Lien Term Loan Facility.

The Amended Credit Agreement contains certain customary covenants and events of default, including relating to a change of control. If an event of default occurs and is continuing, the lenders under the Amended Credit Agreement will be entitled to take various actions, including the acceleration of amounts outstanding under the Amended Credit Agreement and all actions permitted to be taken by a secured creditor in respect of the collateral securing the obligations under the Amended Credit Agreement.

To finance the Acquisition of KCG, on June 30, 2017, Virtu Financial and VFH previously entered into the Fourth Amended and Restated Credit Agreement which, upon the closing of the Acquisition of KCG, provided for an aggregate \$1,150.00 million of first lien secured term loans (the “Existing Term Loan Facility”). As described above, the Existing Term Loan Facility was fully terminated following its repayment in full with the proceeds of the First Lien Term Loan Facility.

Senior Secured Second Lien Notes

To finance the Acquisition of KCG, on June 16, 2017, Orchestra Borrower LLC (the “Escrow Issuer”), a wholly owned subsidiary of Virtu Financial, and Orchestra Co-Issuer, Inc. (the “Co-Issuer”) completed the offering of \$500.0 million aggregate principal amount of 6.750% Senior Secured Second Lien Notes due 2022 (the “Notes”). The Notes were issued under an Indenture, dated June 16, 2017 (the “Indenture”), among the Escrow Issuer, the Co-Issuer and U.S. Bank National Association, as trustee and collateral agent.

On July 20, 2017, VFH assumed all of the obligations of the Escrow Issuer under the Indenture and the Notes. The gross proceeds from the Notes were deposited into a segregated escrow account with an escrow agent. The proceeds were released from escrow as of the KCG Closing Date and were used to finance, in part, the Acquisition of KCG, and to repay certain indebtedness of the Company and KCG.

As described above, the Credit Agreement was amended on October 9, 2019, on which date VFH borrowed an additional \$525.0 million of incremental first lien term loans, the proceeds of which were used together with cash on hand to redeem the Notes in full. The Indenture was fully terminated following such redemption.

SBI Bonds

On July 25, 2016, VFH issued Japanese Yen Bonds (collectively the “SBI Bonds”) in the aggregate principal amount of ¥3.5 billion (\$33.1 million at issuance date) to SBI Life Insurance Co., Ltd. and SBI Insurance Co., Ltd. The proceeds from the SBI Bonds were used to partially fund the investment in SBI (as described in Note 10 “Financial Assets and Liabilities”). The SBI Bonds are guaranteed by Virtu Financial. The SBI Bonds are subject to fluctuations on the Japanese Yen currency rates relative to the Company’s reporting currency (U.S. Dollar) with the changes reflected in Other, net in the Condensed Consolidated Statements of Comprehensive Income. In December 2019, the maturity date of the SBI Bonds was extended to January 2023. The principal balance was ¥3.5 billion (\$32.5 million) as of March 31, 2020 and ¥3.5 billion (\$32.2 million) as of December 31, 2019. The Company recorded a gain of \$0.3 million and a loss of \$0.4 million during the three months ended March 31, 2020 and 2019, respectively.

As of March 31, 2020, aggregate future required minimum principal payments based on the terms of the long-term borrowings were as follows:

<u>(in thousands)</u>	<u>March 31, 2020</u>
2020	15,000
2021	15,000
2022	15,000
2023	47,546
2024	15,000
Thereafter	1,850,000
Total principal of long-term borrowings	<u>\$ 1,957,546</u>

10. Financial Assets and Liabilities

Financial Instruments Measured at Fair Value

The fair value of equities, options, on-the-run U.S. government obligations and exchange traded notes is estimated using recently executed transactions and market price quotations in active markets and are categorized as Level 1 with the exception of inactively traded equities and certain other financial instruments, which are categorized as Level 2. The Company’s corporate bonds, derivative contracts and other U.S. and non-U.S. government obligations have been categorized as Level 2. Fair value of the Company’s derivative contracts is based on the indicative prices obtained from a number of banks and broker-dealers, as well as management’s own analyses. The indicative prices have been independently validated through the Company’s risk management systems, which are designed to check prices with information independently obtained from exchanges and venues where such financial instruments are listed or to compare prices of similar instruments with similar maturities for listed financial futures in foreign exchange.

The Company prices certain financial instruments held for trading at fair value based on theoretical prices, which can differ from quoted market prices. The theoretical prices reflect price adjustments primarily caused by the fact that the Company continuously prices its financial instruments based on all available information. This information includes prices for identical and near-identical positions, as well as the prices for securities underlying the Company’s positions, on other exchanges that are open after the exchange on which the financial instruments is traded closes. The Company validates that all price adjustments can be substantiated with market inputs and checks the theoretical prices independently. Consequently, such financial instruments are classified as Level 2.

There were no transfers of financial instruments between levels during the three months ended March 31, 2020 or 2019.

Fair value measurements for those items measured on a recurring basis are summarized below as of March 31, 2020:

(in thousands)	March 31, 2020					Total Fair Value
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Counterparty and Cash Collateral Netting		
Assets						
Financial instruments owned, at fair value:						
Equity securities	\$ 644,610	\$ 1,342,085	\$ —	\$ —	\$ 1,986,695	
U.S. and Non-U.S. government obligations	105,114	15,762	—	—	120,876	
Corporate Bonds	—	126,368	—	—	126,368	
Exchange traded notes	498	33,156	—	—	33,654	
Currency forwards	—	513,995	—	(491,962)	22,033	
Options	25,151	—	—	—	25,151	
	<u>775,373</u>	<u>2,031,366</u>	<u>—</u>	<u>(491,962)</u>	<u>2,314,777</u>	
Financial instruments owned, pledged as collateral:						
Equity securities	357,462	372,498	—	—	729,960	
Exchange traded notes	46	49,037	—	—	49,083	
	<u>357,508</u>	<u>421,535</u>	<u>—</u>	<u>—</u>	<u>779,043</u>	
Other Assets						
Equity investment	—	—	46,668	—	46,668	
Exchange stock	2,400	—	—	—	2,400	
	<u>2,400</u>	<u>—</u>	<u>46,668</u>	<u>—</u>	<u>49,068</u>	
Liabilities						
Financial instruments sold, not yet purchased, at fair value:						
Equity securities	1,406,000	1,127,723	—	—	2,533,723	
U.S. and Non-U.S. government obligations	74,103	3,819	—	—	77,922	
Corporate Bonds	—	146,039	—	—	146,039	
Exchange traded notes	90	22,557	—	—	22,647	
Currency forwards	—	525,280	—	(524,352)	928	
Options	33,026	—	—	—	33,026	
	<u>\$ 1,513,219</u>	<u>\$ 1,825,418</u>	<u>\$ —</u>	<u>\$ (524,352)</u>	<u>\$ 2,814,285</u>	

Fair value measurements for those items measured on a recurring basis are summarized below as of December 31, 2019:

(in thousands)	December 31, 2019					Total Fair Value
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Counterparty and Cash Collateral Netting		
Assets						
Financial instruments owned, at fair value:						
Equity securities	\$ 600,259	\$ 1,080,518	\$ —	\$ —	\$ 1,680,777	
U.S. and Non-U.S. government obligations	106,690	20,847	—	—	127,537	
Corporate Bonds	—	171,591	—	—	171,591	
Exchange traded notes	243	48,894	—	—	49,137	
Currency forwards	—	242,552	—	(211,398)	31,154	
Options	8,538	—	—	—	8,538	
	<u>715,730</u>	<u>1,564,402</u>	<u>—</u>	<u>(211,398)</u>	<u>2,068,734</u>	
Financial instruments owned, pledged as collateral:						
Equity securities	362,439	291,927	—	—	654,366	
U.S. and Non-U.S. government obligations	—	—	—	—	—	
Exchange traded notes	12	42,578	—	—	42,590	
	<u>362,451</u>	<u>334,505</u>	<u>—</u>	<u>—</u>	<u>696,956</u>	
Other Assets						
Equity investment	—	—	46,245	—	46,245	
Exchange stock	2,721	—	—	—	2,721	
	<u>2,721</u>	<u>—</u>	<u>46,245</u>	<u>—</u>	<u>48,966</u>	
Liabilities						
Financial instruments sold, not yet purchased, at fair value:						
Equity securities	1,022,814	1,163,888	—	—	2,186,702	
U.S. and Non-U.S. government obligations	39,091	2,713	—	—	41,804	
Corporate Bonds	—	244,700	—	—	244,700	
Exchange traded notes	15	21,631	—	—	21,646	
Currency forwards	—	196,554	—	(196,535)	19	
Options	3,087	—	—	—	3,087	
	<u>\$ 1,065,007</u>	<u>\$ 1,629,486</u>	<u>\$ —</u>	<u>\$ (196,535)</u>	<u>\$ 2,497,958</u>	

SBI Investment

The Company has a minority investment (the “SBI Investment”) in SBI Japannext Co., Ltd. (“SBI”), a proprietary trading system based in Tokyo. In connection with the SBI Investment, the Company issued the SBI Bonds (as described in Note 9 “Borrowings”) and used the proceeds to partially finance the transaction. The SBI Investment is included within Level 3 of the fair value hierarchy. As of March 31, 2020, the fair value of the SBI Investment was determined using a weighted average of valuations using 1) the discounted cash flow method, an income approach; 2) a market approach based on average enterprise value/EBITDA ratios of comparable companies; and 3) a transaction approach based on transaction values of comparable companies. The fair value measurement is highly sensitive to significant changes in the unobservable inputs, and significant increases (decreases) in discount rate or decreases (increases) in enterprise value/EBITDA multiples would result in a significantly lower (higher) fair value measurement.

The table below presents information on the valuation techniques, significant unobservable inputs and their ranges for the SBI Investment:

(in thousands)	March 31, 2020				
	Fair Value	Valuation Technique	Significant Unobservable Input	Range	Weighted Average
Equity investment	\$ 46,668	Discounted cash flow	Estimated revenue growth	5.6% - 24.9%	17.1%
			Discount rate	14.4% - 14.4%	14.4%
		Market	Future enterprise value/EBIDTA ratio	11.9x - 55.7x	18.6x

Changes in the fair value of the SBI Investment are included within Other, net in the Condensed Consolidated Statements of Comprehensive Income.

The following presents the changes in the Company's Level 3 financial instruments measured at fair value on a recurring basis:

(in thousands)	Three Months Ended March 31, 2020						Change in Net Unrealized Gains / (Losses) on Investments still held at March 31, 2020
	Balance at December 31, 2019	Purchases	Total Realized and Unrealized Gains / (Losses)	Net Transfers into (out of) Level 3	Settlement	Balance at March 31, 2020	
Assets							
Other assets:							
Equity investment	\$ 46,245	\$ —	\$ 423	\$ —	\$ —	\$ 46,668	\$ 423
Total	46,245	—	423	—	—	46,668	423

(in thousands)	Three Months Ended March 31, 2019						Change in Net Unrealized Gains / (Losses) on Investments still held at March 31, 2019
	Balance at December 31, 2018	Purchases	Total Realized and Unrealized Gains / (Losses)	Net Transfers into (out of) Level 3	Settlement	Balance at March 31, 2019	
Assets							
Other assets:							
Equity investment	\$ 45,856	\$ —	\$ 673	\$ —	\$ —	\$ 46,529	\$ 673
Total	45,856	—	673	—	—	46,529	673

Financial Instruments Not Measured at Fair Value

The table below presents the carrying value, fair value and fair value hierarchy category of certain financial instruments that are not measured at fair value on the Condensed Consolidated Statement of Financial Condition. The table below excludes non-financial assets and liabilities. The carrying value of financial instruments not measured at fair value categorized in the fair value hierarchy as Level 1 and Level 2 approximates fair value due to the relatively short-term nature of the underlying assets. The fair value of the Company's long-term borrowings is based on quoted prices from the market for similar instruments, and is categorized as Level 2 in the fair value hierarchy.

The table below summarizes financial assets and liabilities not carried at fair value on a recurring basis as of March 31, 2020:

(in thousands)	March 31, 2020				
	Carrying Value	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets					
Cash and cash equivalents	\$ 710,533	\$ 710,533	\$ 710,533	\$ —	\$ —
Cash restricted or segregated under regulations and other	94,668	94,668	94,668	—	—
Securities borrowed	1,321,982	1,321,982	—	1,321,982	—
Securities purchased under agreements to resell	75,147	75,147	—	75,147	—
Receivables from broker-dealers and clearing organizations	2,562,721	2,562,721	777,099	1,785,622	—
Total Assets	4,765,051	4,765,051	1,582,300	3,182,751	—
Liabilities					
Short-term borrowings	431,500	434,486	—	434,486	—
Long-term borrowings	1,915,549	1,659,171	—	1,659,171	—
Securities loaned	1,017,361	1,017,361	—	1,017,361	—
Securities sold under agreements to repurchase	389,679	389,679	—	389,679	—
Payables to broker-dealers and clearing organizations	1,180,829	1,180,829	4,798	1,176,031	—
Total Liabilities	\$ 4,934,918	\$ 4,681,526	\$ 4,798	\$ 4,676,728	\$ —

The table below summarizes financial assets and liabilities not carried at fair value on a recurring basis as of December 31, 2019:

(in thousands)	December 31, 2019				
	Carrying Value	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets					
Cash and cash equivalents	\$ 732,164	\$ 732,164	\$ 732,164	\$ —	\$ —
Cash restricted or segregated under regulations and other	41,116	41,116	41,116	—	—
Securities borrowed	1,928,763	1,928,763	—	1,928,763	—
Securities purchased under agreements to resell	143,032	143,032	—	143,032	—
Receivables from broker-dealers and clearing organizations	1,318,584	1,318,584	40,842	1,277,742	—
Total Assets	4,163,659	4,163,659	814,122	3,349,537	—
Liabilities					
Short-term borrowings	73,486	75,586	—	75,586	—
Long-term borrowings	1,917,866	1,966,850	—	1,966,850	—
Securities loaned	1,600,099	1,600,099	—	1,600,099	—
Securities sold under agreements to repurchase	340,742	340,742	—	340,742	—
Payables to broker dealer and clearing organizations	826,750	826,750	49,514	777,236	—
Total Liabilities	\$ 4,758,943	\$ 4,810,027	\$ 49,514	\$ 4,760,513	\$ —

Offsetting of Financial Assets and Liabilities

The Company does not net securities borrowed and securities loaned, or securities purchased under agreements to resell and securities sold under agreements to repurchase. These financial instruments are presented on a gross basis in the Condensed Consolidated Statements of Financial Condition. In the tables below, the amounts of financial instruments owned that are not offset in the Condensed Consolidated Statements of Financial Condition, but could be netted against financial liabilities with specific counterparties under legally enforceable master netting agreements in the event of default, are presented to provide financial statement readers with the Company's estimate of its net exposure to counterparties for these financial instruments.

The following tables set forth the gross and net presentation of certain financial assets and financial liabilities as of March 31, 2020 and December 31, 2019:

March 31, 2020						
(in thousands)	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Condensed Consolidated Statement of Financial Condition	Net Amounts of Assets Presented in the Condensed Consolidated Statement of Financial Condition	Gross Amounts Not Offset in the Condensed Consolidated Statement of Financial Condition		Net Amount
				Financial Instruments	Counterparty Netting/ Cash Collateral	
Offsetting of Financial Assets:						
Securities borrowed	\$ 1,321,982	\$ —	\$ 1,321,982	\$ (1,263,426)	\$ (17,506)	\$ 41,050
Securities purchased under agreements to resell	75,147	—	75,147	(75,147)	—	—
Trading assets, at fair value:						
Currency forwards	513,995	(491,962)	22,033	—	—	22,033
Options	25,151	—	25,151	—	(25,151)	—
Total	\$ 1,936,275	\$ (491,962)	\$ 1,444,313	\$ (1,338,573)	\$ (42,657)	\$ 63,083
(in thousands)	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Condensed Consolidated Statement of Financial Condition	Net Amounts of Liabilities Presented in the Condensed Consolidated Statement of Financial Condition	Gross Amounts Not Offset in the Condensed Consolidated Statement of Financial Condition		Net Amount
				Financial Instruments	Counterparty Netting/ Cash Collateral	
Offsetting of Financial Liabilities:						
Securities loaned	\$ 1,017,361	\$ —	\$ 1,017,361	\$ (986,924)	\$ (17,908)	\$ 12,529
Securities sold under agreements to repurchase	389,679	—	389,679	(389,656)	—	23
Payable to broker-dealers and clearing organizations						
Interest rate swaps	56,486	—	56,486	—	(56,486)	—
Trading liabilities, at fair value:						
Currency forwards	525,280	(524,352)	928	—	—	928
Options	33,026	—	33,026	—	(25,151)	7,875
Total	\$ 2,021,832	\$ (524,352)	\$ 1,497,480	\$ (1,376,580)	\$ (99,545)	\$ 21,355

December 31, 2019

(in thousands)	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Consolidated Statement of Financial Condition	Net Amounts of Assets Presented in the Consolidated Statement of Financial Condition	Gross Amounts Not Offset in the Consolidated Statement of Financial Condition		Net Amount
				Financial Instruments	Counterparty Netting/ Cash Collateral	
Offsetting of Financial Assets:						
Securities borrowed	\$ 1,928,763	\$ —	\$ 1,928,763	\$ (1,881,005)	\$ (15,280)	\$ 32,478
Securities purchased under agreements to resell	143,032	—	143,032	(142,922)	—	110
Trading assets, at fair value:						
Currency forwards	242,552	(211,398)	31,154	—	—	31,154
Options	8,538	—	8,538	(8,537)	—	1
Total	\$ 2,322,885	\$ (211,398)	\$ 2,111,487	\$ (2,032,464)	\$ (15,280)	\$ 63,743

(in thousands)	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Consolidated Statement of Financial Condition	Net Amounts of Liabilities Presented in the Consolidated Statement of Financial Condition	Gross Amounts Not Offset in the Consolidated Statement of Financial Condition		Net Amount
				Financial Instruments	Counterparty Netting/ Cash Collateral	
Offsetting of Financial Liabilities:						
Securities loaned	\$ 1,600,099	\$ —	\$ 1,600,099	\$ (1,552,146)	\$ (15,281)	\$ 32,672
Securities sold under agreements to repurchase	340,742	—	340,742	(340,718)	—	24
Trading liabilities, at fair value:						
Currency forwards	196,554	(196,535)	19	—	—	19
Options	3,087	—	3,087	(3,087)	—	—
Total	\$ 2,140,482	\$ (196,535)	\$ 1,943,947	\$ (1,895,951)	\$ (15,281)	\$ 32,715

The following table presents gross obligations for securities sold under agreements to repurchase and for securities lending transactions by remaining contractual maturity and the class of collateral pledged:

(in thousands)	March 31, 2020				
	Remaining Contractual Maturity				Total
	Overnight and Continuous	Less than 30 days	30 - 60 days	61 - 90 Days	
Securities sold under agreements to repurchase:					
Equity securities	\$ —	\$ 75,000	\$ 50,000	\$ 200,000	\$ 325,000
U.S. and Non-U.S. government obligations	64,679	—	—	—	64,679
Total	64,679	75,000	50,000	200,000	389,679
Securities loaned:					
Equity securities	1,017,361	—	—	—	1,017,361
Total	\$ 1,017,361	\$ —	\$ —	\$ —	\$ 1,017,361

(in thousands)	December 31, 2019				
	Remaining Contractual Maturity				Total
	Overnight and Continuous	Less than 30 days	30 - 60 days	61 - 90 Days	
Securities sold under agreements to repurchase:					
Equity securities	\$ —	\$ 75,000	\$ 50,000	\$ 150,000	\$ 275,000
U.S. and Non-U.S. government obligations	65,742	—	—	—	65,742
Total	65,742	75,000	50,000	150,000	340,742
Securities loaned:					
Equity securities	1,600,099	—	—	—	1,600,099
Total	\$ 1,600,099	\$ —	\$ —	\$ —	\$ 1,600,099

11. Derivative Instruments

The fair value of the Company's derivative instruments on a gross basis consisted of the following at March 31, 2020 and December 31, 2019:

(in thousands)	Financial Statements Location	March 31, 2020		December 31, 2019	
		Fair Value	Notional	Fair Value	Notional
Derivatives Assets					
Derivative instruments not designated as hedging instruments:					
Equities futures	Receivables from broker-dealers and clearing organizations	\$ (5,166)	\$ 1,039,189	\$ (1,366)	\$ 4,502,017
Commodity futures	Receivables from broker-dealers and clearing organizations	786,230	6,484,323	40,656	7,758,974
Currency futures	Receivables from broker-dealers and clearing organizations	7,890	2,822,188	(2,860)	1,116,246
Fixed income futures	Receivables from broker-dealers and clearing organizations	10	1,949	47	155,697
Options	Financial instruments owned	25,151	755,788	8,538	442,808
Currency forwards	Financial instruments owned	513,995	22,361,481	242,552	24,369,818
Interest rate swap	Other assets	—	—	8,976	525,000
Derivatives Liabilities					
Derivative instruments not designated as hedging instruments:					
Equities futures	Payables to broker-dealers and clearing organizations	\$ (2,419)	\$ 83,911	\$ 751	\$ 83,803
Commodity futures	Payables to broker-dealers and clearing organizations	(2,376)	46,874	(45,175)	3,604,979
Currency futures	Payables to broker-dealers and clearing organizations	8,482	2,083,208	(23,223)	6,594,991
Fixed income futures	Payables to broker-dealers and clearing organizations	(9)	23,585	94	190,938
Options	Financial instruments sold, not yet purchased	33,026	793,724	3,087	436,422
Currency forwards	Financial instruments sold, not yet purchased	525,280	22,367,124	196,554	24,346,818
Derivative instruments designated as hedging instruments:					
Interest rate swaps	Payables to broker-dealers and clearing organizations	56,486	1,525,000	—	—

Amounts included in receivables from and payables to broker-dealers and clearing organizations represent net variation margin on long and short futures contracts.

The following table summarizes the net gain (loss) from derivative instruments not designated as hedging instruments under ASC 815, which are recorded in total revenues, and from those designated as hedging instruments under ASC 815, which are recorded in other comprehensive income in the accompanying Condensed Consolidated Statements of Comprehensive Income for the three months ended March 31, 2020 and 2019.

(in thousands)	Financial Statements Location	Three Months Ended March 31,	
		2020	2019
Derivative instruments not designated as hedging instruments:			
Futures	Trading income, net	\$ (11,901)	\$ 72,385
Currency forwards	Trading income, net	201,808	(24,173)
Options	Trading income, net	1,261	663
		<u>\$ 191,168</u>	<u>\$ 48,875</u>
Derivative instruments designated as hedging instruments:			
Interest rate swaps (1)	Other comprehensive income	<u>\$ (55,602)</u>	<u>\$ —</u>

(1) On January 29, 2020, the Company entered into a five-year \$1,000 million floating-to-fixed interest rate swap agreement. The Company also previously entered into a five-year \$525 million floating-to-fixed interest rate swap agreement. As of January 1, 2020, these two interest rate swaps meet the criteria to be considered qualifying cash flow hedges under ASC 815, and as such, the mark-to-market gains (losses) on the instruments were recorded within Other comprehensive income on the Condensed Consolidated Statement of Comprehensive Income for the three months ended March 31, 2020.

12. Revenues from Contracts with Customers

Revenue Recognition

The Company adopted ASC Topic 606, Revenue from Contracts with Customers, as of January 1, 2018 in the condensed consolidated financial statements by applying the modified retrospective method. The Company's revenue recognition methods for its contracts with customers prior to the adoption of Topic 606 are consistent with its methods after the adoption of Topic 606. Accordingly, the adoption of the new standard did not result in a transition adjustment to opening retained earnings, and as a result, revenues for contracts with customers would not have been adjusted in prior periods and are not presented herein on an adjusted basis. As a result of the ITG Acquisition, subsequent to the ITG Closing Date, the Company has additional revenue streams as described below.

The guidance in ASC 606 does not apply to revenue associated with financial instruments, including loans and securities that are accounted for under other U.S. GAAP, and as a result, did not have an impact on the market making elements of the Company's Condensed Consolidated Statement of Comprehensive Income most closely associated with financial instruments, including Trading income, net and Interest and dividend income. The guidance primarily impacts the presentation of the Company's Execution Services revenue streams discussed below, all of which are presented within Commissions, net and technology services on the Company's Condensed Consolidated Statements of Comprehensive Income.

Commissions, net. The Company earns commission revenue by acting as an agent on behalf of customers. The Company's performance obligations consist of trade execution and clearing services and are satisfied on the trade date; accordingly, commission revenues are recorded on the trade date. Commission revenues are paid on settlement date; therefore, a receivable is recognized as of the trade date. Under a commission management program, the Company allows institutional clients to allocate a portion of their gross commissions to pay for research and other services provided by third parties. As the Company acts as an agent in these transactions, it records such expenses on a net basis within Commissions, net and technology services in the Condensed Consolidated Statements of Comprehensive Income.

Technology services. The Company's technology services revenues consist of technology licensing fees and client commission fees. Technology licensing fees are earned from third parties for licensing of the Company's proprietary risk management and trading infrastructure technology and the provision of associated management and hosting services. These fees include both upfront and annual recurring fees as well as, in certain cases, contingent fees based on customer revenues, which represent variable consideration. The services offered under these contracts are delivered as an integrated package and are interdependent and have the same pattern of transfer to the customer; accordingly, the Company measures and recognizes them as a single performance obligation. The performance obligation is satisfied over time, and, therefore, revenue is recognized as time passes. Variable consideration has not been included in the transaction price as the amount of consideration is contingent on factors outside the Company's control and thus it is not probable that a significant reversal of cumulative

revenue recognized will not occur. Recurring fees, which exclude variable consideration, are billed and collected on a quarterly basis and are included within Receivables from broker-dealers and clearing organizations.

Workflow technology. Through its front-end workflow solutions and network capabilities, the Company provides order and trade execution management and order routing services.

The Company provides trade order routing from its execution management system (“EMS”) to its execution services offerings, with each trade order routed through the EMS representing a separate performance obligation that is satisfied at a point in time. Commissions earned are fixed and revenue is recognized on the trade date. A portion of the commissions earned on the trade is then allocated to workflow technology based on the stand-alone selling price paid by third-party brokers for order routing. The remaining commission is allocated to commissions, net using a residual allocation approach.

The Company participates in commission share arrangements, where trade orders are routed to third-party brokers from its EMS and its order management system (“OMS”). Commission share revenues from third-party brokers are generally fixed and revenue is recognized at a point in time on the trade date.

The Company provides OMS and related software products and connectivity services to customers and recognizes license fee revenues and monthly connectivity fees. License fee revenues, generated for the use of the Company’s OMS and other software products, is fixed and recognized at the point in time at which the customer is able to use and benefit from the license. Connectivity revenue is variable in nature, based on the number of live connections, and is recognized over time on a monthly basis using a time-based measure of progress.

Analytics. The Company provides customers with analytics products and services, including trading and portfolio analytics tools. The Company provides analytics products and services to customers and recognizes subscription fees, which are fixed for the contract term, based on when the products and services are delivered. Analytics services can be delivered either over time (when customers are provided with distinct ongoing access to analytics data) or at a point in time (when reports are only delivered to the customer on a periodic basis). Over time performance obligations are recognized using a time-based measure of progress on a monthly basis, since the analytics products and services are continually provided to the client. Point in time performance obligations are recognized when the analytics reports are delivered to the client.

Analytics products and services can also be paid for through variable bundled arrangements with trade execution services. Customers agree to pay for analytics products and services with commissions generated from trade execution services, and commissions are allocated to the analytics performance obligation(s) using:

- (i) the commission value for each customer for the products and services it receives, which is priced using the value for similar stand-alone subscription arrangements; and
- (ii) a calculated ratio of the commission value for the products and services relative to the total amount of commissions generated from the customer.

For these bundled commission arrangements, the allocated commissions to each analytics performance obligation are then recognized as revenue when the analytics product is delivered, either over time or at a point in time. These allocated commissions may be deferred if the allocated amount exceeds the amount recognizable based on delivery.

Disaggregation of Revenues

The following tables present the Company's revenue from contracts with customers disaggregated by the services described above, by timing of revenue recognition, reconciled to the Company's segments, for the three months ended March 31, 2020 and 2019:

(in thousands)	Three Months Ended March 31, 2020			
	Market Making	Execution Services	Corporate	Total
Revenues from contracts with customers:				
Commissions, net	\$ 769	\$ 131,026	\$ —	\$ 131,795
Workflow technology	—	28,743	—	28,743
Analytics	—	10,206	—	10,206
Total revenue from contracts with customers	769	169,975	—	170,744
Other sources of revenue	830,830	463	2,061	833,354
Total revenues	831,599	170,438	2,061	1,004,098

Timing of revenue recognition:				
Services transferred at a point in time	831,599	151,962	2,061	985,622
Services transferred over time	—	18,476	—	18,476
Total revenues	\$ 831,599	\$ 170,438	\$ 2,061	\$ 1,004,098

(in thousands)	Three Months Ended March 31, 2019			
	Market Making	Execution Services	Corporate	Total
Revenues from contracts with customers:				
Commissions, net	\$ 5,000	\$ 57,755	\$ —	\$ 62,755
Workflow technology	—	8,872	—	8,872
Analytics	—	3,520	—	3,520
Total revenue from contracts with customers	5,000	70,147	—	75,147
Other sources of revenue	274,221	13,371	252	287,844
Total revenues	279,221	83,518	252	362,991

Timing of revenue recognition:				
Services transferred at a point in time	279,221	76,729	252	356,202
Services transferred over time	—	6,789	—	6,789
Total revenues	\$ 279,221	\$ 83,518	\$ 252	\$ 362,991

Remaining Performance Obligations and Revenue Recognized from Past Performance Obligations

As of March 31, 2020, the aggregate amount of the transaction price allocated to the performance obligations relating to technology services, workflow technology, and analytics revenues that are unsatisfied (or partially unsatisfied) was not material.

Contract Assets and Contract Liabilities

The timing of the revenue recognition may differ from the timing of payment from customers. The Company records a receivable when revenue is recognized prior to payment, and when the Company has an unconditional right to payment. The Company records a contract liability when payment is received prior to the time at which the satisfaction of the service obligation occurs.

Receivables related to revenues from contracts with customers amounted to \$70.2 million and \$53.6 million as of March 31, 2020 and December 31, 2019, respectively. The Company did not identify any contract assets. There were no impairment losses on receivables as of March 31, 2020.

Deferred revenue primarily relates to deferred commissions allocated to analytics products and subscription fees billed in advance of satisfying the performance obligations. Deferred revenue related to contracts with customers was \$11.9 million and \$8.6 million as of March 31, 2020 and December 31, 2019, respectively. During the three months ended March 31, 2020 and 2019, the Company recognized revenue of \$7.5 million and \$8.0 million, respectively, that had been initially recorded as deferred revenue.

The Company has not identified any costs to obtain or fulfill its contracts under ASC 606.

13. Income Taxes

The Company is subject to U.S. federal, state and local income tax at the rate applicable to corporations less the rate attributable to the noncontrolling interest in Virtu Financial. These noncontrolling interests are subject to U.S. taxation as partnerships. Accordingly, for the three months ended March 31, 2020 and 2019, the income attributable to these noncontrolling interests is reported in the Condensed Consolidated Statements of Comprehensive Income, but the related U.S. income tax expense attributable to these noncontrolling interests is not reported by the Company as it is the obligation of the individual partners. The Company's provisions for (benefits from) income taxes and effective tax rates were \$78.0 million and 16.8%, and \$(2.6) million and 16.0%, for the three months ended March 31, 2020 and 2019, respectively. Income tax expense is also affected by the differing effective tax rates in foreign, state and local jurisdictions where certain of the Company's subsidiaries are subject to corporate taxation.

Included in Other assets on the Condensed Consolidated Statements of Financial Condition at March 31, 2020 and December 31, 2019 are current income tax receivables of \$4.5 million and \$39.3 million, respectively. The balances at March 31, 2020 and December 31, 2019 primarily comprise income tax benefits due to the Company from federal, state and local, and foreign tax jurisdictions based on income before taxes. Included in Accounts payable, accrued expenses and other liabilities on the Condensed Consolidated Statements of Financial Condition at March 31, 2020 and December 31, 2019 are current tax liabilities of \$45.0 million and \$11.5 million, respectively. The balances at March 31, 2020 and December 31, 2019 primarily comprise income taxes owed to federal, state and local, and foreign tax jurisdictions based on income before taxes.

Deferred income taxes arise primarily due to the amortization of the deferred tax assets recognized in connection with the IPO (see Note 5 "Tax Receivable Agreements"), the Acquisition of KCG and the ITG Acquisition (see Note 3 "ITG Acquisition"), differences in the valuation of financial assets and liabilities, and other temporary differences arising from the deductibility of compensation, depreciation, and other expenses in different time periods for book and income tax return purposes.

There are no expiration dates on the deferred tax assets. The provisions of ASC 740 require that carrying amounts of deferred tax assets be reduced by a valuation allowance if, based on the available evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Accordingly, the need to establish valuation allowances for deferred tax assets is assessed periodically with appropriate consideration given to all positive and negative evidence related to the realization of the deferred tax assets. At March 31, 2020 and December 31, 2019, the Company had U.S. federal net operating loss carryforwards of \$91.3 million and \$91.3 million, respectively, and has recorded a deferred tax asset related to these federal net operating carryforwards of \$19.2 million and \$19.2 million, respectively. The Company did not record a valuation allowance against this deferred tax asset. At March 31, 2020, the Company recorded deferred income taxes related to state and local net operating losses of \$3.7 million. These net operating losses will begin to expire in 2031. The Company did not record a valuation allowance against this deferred tax asset.

As a result of the ITG Acquisition, the Company has non-U.S. net operating losses at March 31, 2020 and December 31, 2019 of \$80.2 million and \$86.3 million, respectively, and has recorded a related deferred tax asset of \$16.1 million and \$17.9 million, respectively. A valuation allowance of \$14.5 million and \$15.6 million was recorded against this deferred tax asset at March 31, 2020 and December 31, 2019, respectively, as it is more likely than not that a portion of this deferred tax asset will not be realized. As a result of the Acquisition of KCG, the Company has non-U.S. net operating losses at March 31, 2020 and December 31, 2019 of \$239.0 million and \$239.0 million, respectively, and has recorded a related deferred tax asset of \$44.9 million and \$44.9 million, respectively. A full valuation allowance was also recorded against this deferred tax asset at March 31, 2020 and December 31, 2019 as it is more likely than not that this deferred tax asset will not be realized. No valuation allowance against the remaining deferred taxes was recorded as of March 31, 2020 and December 31, 2019 because it

is more likely than not that these deferred tax assets will be fully realized.

The Company is subject to taxation in U.S. federal, state, local and foreign jurisdictions. As of March 31, 2020, the Company's tax years for 2013 through 2018 and 2010 through 2018 are subject to examination by U.S. and non-U.S. tax authorities, respectively. As a result of the ITG Acquisition and the Acquisition of KCG, the Company has assumed any ITG and KCG tax exposures. In addition, the Company is subject to state and local income tax examinations in various jurisdictions for the tax years 2013 through 2018. The final outcome of these examinations is not yet determinable. However, the Company anticipates that adjustments related to these examinations, if any, will not result in a material change to the financial condition, results of operations and cash flows.

The Company's policy for recording interest and penalties associated with audits is to record such items as a component of income or loss before income taxes and noncontrolling interest. Penalties, if any, are recorded in Operations and administrative expense and interest received or paid is recorded in Other, net or Operations and administrative expense in the Condensed Consolidated Statement of Comprehensive Income.

The Company had \$8.9 million of unrecognized tax benefits as of March 31, 2020, all of which would affect the Company's effective tax rate if recognized. The Company has determined that there are no uncertain tax positions that would have a material impact on the Company's financial position as of March 31, 2020.

14. Commitments, Contingencies and Guarantees

Legal Proceedings

In the ordinary course of business, the nature of the Company's business subjects it to claims, lawsuits, regulatory examinations or investigations and other proceedings. The Company and its subsidiaries are subject to several of these matters at the present time. Given the inherent difficulty of predicting the outcome of litigation and regulatory matters, particularly in regulatory examinations or investigations or other proceedings in which substantial or indeterminate judgments, settlements, disgorgements, restitution, penalties, injunctions, damages or fines are sought, or where such matters are in the early stages, the Company cannot estimate losses or ranges of losses for such matters where there is only a reasonable possibility that a loss may be incurred. In addition, there are numerous factors that result in a greater degree of complexity in class-action lawsuits as compared to other types of litigation. There can be no assurance that these legal proceedings will not have a material adverse effect on the Company's results of operations in any future period, and a material judgment, fine or sanction could have a material adverse impact on the Company's financial condition, results of operations and cash flows. However, it is the opinion of management, after consultation with legal counsel that, based on information currently available, the ultimate outcome of these matters will not have a material adverse impact on the business, financial condition or operating results of the Company, although they might be material to the operating results for any particular reporting period. The Company carries directors' and officers' liability insurance coverage and other insurance coverage for potential claims, including securities actions, against the Company and its respective directors and officers.

In connection with the Acquisition of KCG, a previously filed complaint, which was initially captioned *Greenway v. KCG Holdings, Inc., et al.*, Case No. 2017-421-JTL and filed on behalf of a putative class in Delaware Chancery Court, was recaptioned *Chester County Employees' Retirement Fund v. KCG Holdings, Inc., et al.*, amended and refiled on February 14, 2018 to include claims for the alleged breach of fiduciary duties against former KCG board members, claims against each of the Company and Jefferies LLC for allegedly aiding and abetting the KCG board members' alleged breaches of fiduciary duty and a claim against the Company and Jefferies LLC for alleged civil conspiracy. The amended complaint was again amended on July 16, 2018 with the filing of the Verified Second Amended Class Action Complaint (the "Second Amended Complaint") to include additional factual allegations. In October 2019, the parties reached an agreement in principle to settle the matter, and in March 2020 definitive settlement documentation was executed and final court approval was obtained. The settlement contains no admission of any liability or wrongdoing on the part of the defendants, each of whom continues to deny all of the allegations against them and believes that the claims are without merit.

On January 29, 2019, the Company was named as a defendant in *Ford v. ProShares Trust II, et al.*, No. 19-cv-886. The complaint was filed in federal district court in New York on behalf of a putative class, and asserts claims against the Company and numerous other financial institutions under Section 11 of the Securities Act of 1933 in connection with trading in a ProShares inverse-volatility ETF. Additionally, on February 27, 2019, and March 1, 2019, the Company was named as a defendant in *Bittner v. ProShares Trust II, et al.*, No. 19-cv-1840, and *Mareno v. ProShares Trust II, et al.*, No. 19-cv-1955, respectively. The complaints were filed in federal district court in New York on behalf of putative classes, and asserted substantially similar claims against the Company and other financial institutions. On April 29, 2019, these three actions were

consolidated in federal district court in New York as *In re ProShares Trust II Securities Litigation*, No. 19-cv-886-DLC. A consolidated amended complaint, which did not specify the amount of alleged damages, was filed in the consolidated action on June 21, 2019. Defendants moved to dismiss the consolidated amended complaint on August 2, 2019. In response, plaintiffs filed a consolidated second amended complaint on September 6, 2019, which complaint also does not specify the amount of alleged damages. Defendants moved to dismiss the consolidated second amended complaint on September 27, 2019. The defendants' motion to dismiss was granted on January 3, 2020, and plaintiffs subsequently filed a Notice of Appeal of the district court's ruling on the motion to dismiss on January 31, 2020. The Company believes that the claims are without merit and is defending itself vigorously.

Other Legal and Regulatory Matters

The Company owns subsidiaries including regulated entities that are subject to extensive oversight under federal, state and applicable international laws as well as self-regulatory organization ("SRO") rules. Changes in market structure and the need to remain competitive require constant changes to the Company's systems, order routing and order handling procedures. The Company makes these changes while continuously endeavoring to comply with many complex laws and rules. Compliance, surveillance and trading issues common in the securities industry are monitored by, reported to, and/or reviewed in the ordinary course of business by the Company's regulators in the U.S. and abroad. As a major order flow execution destination, the Company is named from time to time in, or is asked to respond to a number of regulatory matters brought by U.S. regulators, foreign regulators, SROs, as well as actions brought by private plaintiffs, which arise from its business activities. There has recently been an increased focus by regulators on Anti-Money Laundering and sanctions compliance by broker-dealers and similar entities, as well as an enhanced interest on suspicious activity reporting and transactions involving microcap and low-priced securities. In addition, there has been an increased focus by Congress, federal and state regulators, SROs and the media on market structure issues, and in particular, high frequency trading, best execution, internalization, alternative trading system ("ATS") manner of operations, market fragmentation and complexity, colocation, cybersecurity, access to market data feeds and remuneration arrangements, such as payment for order flow and exchange fee structures. From time to time, the Company is the subject of requests for information and documents from the SEC, the Financial Industry Regulatory Authority and other regulators. It is the Company's practice to cooperate and comply with the requests for information and documents.

The Company is currently the subject of various regulatory reviews and investigations by federal and foreign regulators and SROs, including the SEC and the Financial Industry Regulatory Authority. In some instances, these matters may result in a disciplinary action and/or a civil or administrative action. For example, in December 2015, the Autorité des Marchés Financiers ("AMF") fined the Company's European subsidiary in the amount of €5.0 million (approximately \$5.4 million) based on its allegations that the subsidiary of a predecessor entity engaged in price manipulation and violations of the AMF General Regulation and Euronext Market Rules. The fine was subsequently reduced in 2017 to €3.3 million (approximately \$3.9 million) and in 2018 was reduced to €3.0 million (approximately \$3.4 million). The Company has fully reserved for the monetary penalty as of March 31, 2020 and anticipates paying the fine during the year ended December 31, 2020.

Representations and Warranties; Indemnification Arrangements

In the normal course of its operations, the Company enters into contracts that contain a variety of representations and warranties in addition to indemnification obligations. The Company's maximum exposure under these arrangements is currently unknown, as any such exposure could relate to claims not yet brought or events which have not yet occurred. For example, in November 2013, KCG sold Urban Financial of America, LLC ("Urban"), the reverse mortgage origination and securitization business previously owned by Knight Capital Group, Inc., to an investor group now known as Finance of America Reverse, LLC ("FAR"). Pursuant to the terms of the Stock Purchase Agreement between KCG and FAR, Virtu has certain continuing obligations related to KCG's prior ownership of Urban and has been and, in the future may be, advised by FAR of potential claims thereunder.

Consistent with standard business practices in the normal course of business, the Company enters into contracts that contain a variety of representations and warranties and general indemnifications. The Company has also provided general indemnifications to its managers, officers, directors, employees, and agents against expenses, legal fees, judgments, fines, settlements, and other amounts actually and reasonably incurred by such persons under certain circumstances as more fully disclosed in its operating agreement. The overall maximum amount of the obligations (if any) cannot reasonably be estimated as it will depend on the facts and circumstances that give rise to any future claims.

15. Leases

The Company adopted ASU 2016-02 on January 1, 2019, and elected the modified retrospective method of implementation. The standard requires the recognition of Right-of-use (“ROU”) assets and lease liabilities for leases, which are defined as a contract, or part of a contract, that conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration. The Company has elected the practical expedient which allows for leases with an initial term of 12 months or less to be excluded from recognition on the Condensed Consolidated Statement of Financial Condition and for which lease expense is recognized on a straight-line basis over the lease term.

Topic 842 primarily affected the accounting treatment for operating lease agreements in which the Company is the lessee. These leases are primarily for corporate office space, datacenters, and technology equipment. The leases have remaining terms of 1 year to 15 years, some of which include options to extend the initial term at the Company's discretion. The lease terms used in calculating ROU assets and lease liabilities include the options to extend the initial term when the Company is reasonably certain of exercising the options. The Company's lease agreements do not contain any material residual value guarantees, restrictions or covenants. In addition to the base rental costs, the Company's lease agreements for corporate office space generally provide for rent escalations resulting from increased assessments for operating expenses, real estate taxes and other charges. Payments for such reimbursable expenses are considered variable and are recognized as variable lease costs in the period in which the obligation for those payments was incurred.

The Company also subleases certain office space and facilities to third parties. The subleases have remaining terms of 1 to 12 years. The Company recognizes sublease income on a straight-line basis over the term of the sublease within Other, net on the Condensed Consolidated Statement of Comprehensive Income.

As the implied discount rate for most of the Company's leases is not readily determinable, the Company uses its incremental borrowing rate on its secured borrowings in determining the present value of lease payments.

Lease assets and liabilities are summarized as follows:

(in thousands)	Financial Statement Location	March 31, 2020	December 31, 2019
Operating leases			
Operating lease right-of-use assets	Operating lease right-of-use assets	\$ 302,329	\$ 314,526
Operating lease liabilities	Operating lease liabilities	350,687	365,364
Finance leases			
Property and equipment, at cost	Property, equipment, and capitalized software, net	39,516	37,589
Accumulated depreciation	Property, equipment, and capitalized software, net	(25,391)	(24,579)
Finance lease liabilities	Accounts payable, accrued expenses, and other liabilities	14,434	13,371

Weighted average remaining lease term and discount rate are as follows:

	March 31, 2020	December 31, 2019
Weighted average remaining lease term		
Operating leases	7.35 years	7.50 years
Finance leases	1.74 years	1.45 years
Weighted average discount rate		
Operating leases	5.70%	5.70%
Finance leases	3.35%	3.52%

The components of lease expense were as follows:

(in thousands)	Three Months Ended March 31,	
	2020	2019
Operating lease cost:		
Fixed	\$ 18,360	\$ 14,797
Variable	2,135	1,578
Total Operating lease cost	20,495	16,375
Finance lease cost:		
Amortization of right-of-use assets	3,187	2,970
Interest on lease liabilities	129	186
Total Finance lease cost	3,316	3,156
Sublease income	3,477	2,560

Future minimum lease payments under operating and finance leases with non-cancelable lease terms, as of March 31, 2020, are as follows:

(in thousands)	Operating Leases		Finance Leases	
2020	\$	56,766	\$	8,760
2021		72,782		4,833
2022		66,651		2,094
2023		63,434		127
2024		33,066		—
2025 and thereafter		140,834		—
Total lease payments		433,533		15,814
Less imputed interest		(82,846)		(1,380)
Total lease liability	\$	350,687	\$	14,434

Future minimum lease payments under operating and finance leases with non-cancelable lease terms, as of December 31, 2019, are as follows:

(in thousands)	Operating Leases		Finance Leases	
2020		76,118		10,929
2021		73,062		3,305
2022		66,850		565
2023		63,676		—
2024		32,144		—
2025 and thereafter		141,371		—
Total lease payments		453,221		14,799
Less imputed interest		(87,857)		(1,428)
Total lease liability	\$	365,364	\$	13,371

16. Cash

The following table provides a reconciliation of cash and cash equivalents together with restricted or segregated cash as reported within the Condensed Consolidated Statements of Financial Condition to the sum of the same such amounts shown in the Condensed Consolidated Statements of Cash Flows.

(in thousands)	March 31, 2020	December 31, 2019
Cash and cash equivalents	\$ 710,533	\$ 732,164
Cash restricted or segregated under regulations and other	94,668	41,116
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	<u>\$ 805,201</u>	<u>\$ 773,280</u>

17. Capital Structure

The Company has four classes of authorized common stock. The Class A Common Stock and the Class C Common Stock have one vote per share. The Class B Common Stock and the Class D Common Stock have 10 votes per share. Shares of the Company's common stock generally vote together as a single class on all matters submitted to a vote of the Company's stockholders.

During the period prior to the Reorganization Transactions and IPO, Class A-2 profits interests and Class B interests in Virtu Financial were issued to Employee Holdco (as defined below) on behalf of certain key employees and stakeholders. In connection with the Reorganization Transactions, all Class A-2 profits interests and Class B interests were reclassified into Virtu Financial Units. As of March 31, 2020 and December 31, 2019, there were 7,195,625 and 7,919,952 Virtu Financial Units outstanding held by Employee Holdco (as defined below), respectively, and 724,327 and 240,000 of such Virtu Financial Units and corresponding Class C Common Stock were exchanged into Class A Common Stock, forfeited or repurchased during the three months ended March 31, 2020 and 2019, respectively.

Amended and Restated 2015 Management Incentive Plan

The Company's board of directors and stockholders adopted the 2015 Management Incentive Plan, which became effective upon consummation of the IPO, and was subsequently amended and restated following receipt of approval from the Company's stockholders on June 30, 2017. The Amended and Restated 2015 Management Incentive Plan provides for the grant of stock options, restricted stock units, and other awards based on an aggregate of 16,000,000 shares of Class A Common Stock, subject to additional sublimits, including limits on the total option grant to any one participant in a single year and the total performance award to any one participant in a single year. On April 23, 2020, the Company's board of directors adopted an amendment to the Company's Amended and Restated 2015 Management Incentive Plan in order to increase the number of shares of the Company's Class A Common Stock reserved for issuance, and in respect of which awards may be granted under the Amended and Restated 2015 Plan from 16,000,000 shares of Class A Common Stock to an aggregate of 21,000,000 shares of Class A Common Stock. The amendment is subject to the approval of the Company's shareholders at the Annual Meeting on June 5, 2020.

Amended and Restated Investment Technology Group, Inc. 2007 Omnibus Equity Compensation Plan

On the ITG Closing Date, the Company assumed the Amended and Restated ITG 2007 Equity Plan and the Assumed Awards. As of the ITG Closing Date, the aggregate number of shares of Class A Common Stock subject to such Assumed Awards was 2,497,028 and the aggregate number of shares of Class A Common Stock that remained issuable pursuant to the Amended and Restated ITG 2007 Equity Plan was 1,230,406.

Acquisition of KCG

On the KCG Closing Date, the Company completed the all-cash Acquisition of KCG. In connection with the Acquisition of KCG, the Company issued 8,012,821 shares of the Company's Class A Common Stock to Aranda Investments Pte. Ltd. ("Aranda"), an affiliate of Temasek Holdings (Private) Limited ("Temasek"), for an aggregate purchase price of approximately \$125.0 million and 40,064,103 shares of the Company's Class A Common Stock to North Island Holdings I, LP (the "North Island Stockholder") for an aggregate purchase price of approximately \$618.7 million, in each case in accordance with terms of an investment agreement in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), pursuant to Section 4(a)(2) of the Securities Act. The investment agreements are filed as exhibits to the Company's 2019 Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 28, 2020.

Secondary Offerings

In May 2018, the Company and certain selling stockholders completed a public offering (the "May 2018 Secondary Offering") of 17,250,000 shares of Class A Common Stock by the Company and certain selling stockholders at a purchase price per share of \$27.16 (the offering price to the public of \$28.00 per share minus the underwriters' discount), which included the exercise in full by the underwriters of their option to purchase additional shares in the May 2018 Secondary Offering. The Company sold 10,518,750 shares of Class A Common Stock in the offering, the net proceeds of which were used to purchase an equivalent number of Virtu Financial Units and corresponding shares of Class D Common Stock from TJMT Holdings LLC pursuant to that certain Member Purchase Agreement, entered into on May 15, 2018 by and between the Company and TJMT Holdings LLC. The selling stockholders sold 6,731,250 shares of Class A Common Stock in the May 2018 Secondary Offering, including 2,081,250 shares of Class A Common Stock issued by the Company upon the exercise of vested stock options.

In connection with the May 2018 Secondary Offering, the Company, TJMT Holdings LLC, the North Island Stockholder, Havelock Fund Investments Pte. Ltd. ("Havelock") and Aranda entered into that certain Amendment No. 1 to the Amended and Restated Registration Rights Agreement dated April 20, 2017, by and among the Company, TJMT Holdings LLC, the North Island Stockholder, Havelock, Aranda and certain direct or indirect equityholders of the Company (the "Amended and Restated Registration Rights Agreement") to add Mr. Vincent Viola and Mr. Michael Viola, directors of the Company, and to confirm that certain other persons (including the Company's CEO) remain parties to the Amended and Restated Registration Rights Agreement.

In May 2019, the Company completed a public offering (the "May 2019 Secondary Offering") of 9,000,000 shares of Class A Common Stock at a purchase price per share paid by the underwriters of \$22.00, the proceeds of which were used to purchase an equivalent number of Virtu Financial Units and corresponding shares of Class D Common Stock from TJMT Holdings LLC pursuant to that certain Member Purchase Agreement, entered into on May 14, 2019 by and between the Company and TJMT Holdings LLC.

Employee Exchanges

During the three months ended March 31, 2020 and 2019, pursuant to the exchange agreement by and among the Company, Virtu Financial and holders of Virtu Financial Units, certain current and former employees elected to exchange 724,327 and 240,000 units, respectively in Virtu Financial held directly or on their behalf by Virtu Employee Holdco LLC ("Employee Holdco") on a one-for-one basis for shares of Class A Common Stock.

As a result of the completion of the IPO, the Reorganization Transactions, the Secondary Offerings, employee exchanges, and the share issuance in connection with the Acquisition of KCG, the Company holds approximately a 63.2% interest in Virtu Financial at March 31, 2020.

Warrant Issuance

On March 20, 2020, in connection with and in consideration of the Founder Member’s commitments under the Founder Member Loan Facility (as described in Note 9 “Borrowings”), the Company delivered to the Founder Member a warrant (the “Warrant”) to purchase shares of the Company’s Class A Common Stock. Pursuant to the Warrant, the Founder Member may purchase up to 3,000,000 shares of Class A Common Stock, which number of shares will be increased to 10,000,000 if, at any time during the term of the Founder Member Facility, Founder Member Loans equal to or greater than \$100 million remain outstanding for a certain period of time specified in the Warrant. The exercise price per share of the Class A Common Stock issuable pursuant to the Warrant shall be equal to the average of the volume weighted average prices of the Class A Common Stock for the ten (10) trading days following May 7, 2020, the date on which the Company publicly announced its earnings results for the first quarter of 2020. The Warrant may be exercised on or after May 22, 2020, the eleventh (11th) trading day following the date on which the Company publicly announced its earnings results for the first quarter of 2020, up to and including January 15, 2022. The Warrant and Class A Common Stock issuable pursuant to the Warrant were offered, and will be issued and sold, in reliance on the exemption from the registration requirements of the Securities Act, set forth under Section 4(a)(2) of the Securities Act relating to sales by an issuer not involving any public offering. The foregoing description of the Warrant does not purport to be complete and is qualified in its entirety by reference to the complete text of the Warrant, which is filed as an exhibit hereto.

The fair value of the Warrant was determined using a Black-Scholes-Merton model, and was recorded as a debt issuance cost within Short-term borrowings on the Condensed Consolidated Statement of Financial Condition and as an increase to Additional paid-in capital on the Condensed Consolidated Statement of Changes in Equity. The balance will be amortized on a straight-line basis from March 20, 2020 through September 20, 2020, the date on which the Founder Member Loan Facility expires, and recorded as expense within Debt issue cost related to debt refinancing, prepayment and commitment fees in the Condensed Consolidated Statement of Comprehensive Income.

Accumulated Other Comprehensive Income (Loss)

The following table presents the changes in Other Comprehensive Income (Loss) for the three months ended March 31, 2020 and 2019:

(in thousands)	Three Months Ended March 31, 2020			
	AOCI Beginning Balance	Amounts reclassified from AOCI to income	Amounts recorded in AOCI	AOCI Ending Balance
Net change in unrealized cash flow hedges gains (losses) (1)	\$ —	\$ 317	\$ (31,785)	\$ (31,468)
Foreign exchange translation adjustment	(647)	—	(5,884)	(6,531)
Total	\$ (647)	\$ 317	\$ (37,669)	\$ (37,999)

(1) Amounts reclassified from AOCI to income are included within Financing interest expense on long-term borrowings on the Condensed Consolidated Statements of Comprehensive Income

(in thousands)	Three Months Ended March 31, 2019			
	AOCI Beginning Balance	Amounts reclassified from AOCI to income	Amounts recorded in AOCI	AOCI Ending Balance
Foreign exchange translation adjustment	(82)	—	(2,136)	(2,218)
Total	\$ (82)	\$ —	\$ (2,136)	\$ (2,218)

18. Share-based Compensation

Pursuant to the Amended and Restated 2015 Management Incentive Plan as described in Note 17 “Capital Structure”, and in connection with the IPO, non-qualified stock options to purchase shares of Class A Common Stock were granted, each of which vests in equal annual installments over a period of four years from grant date and expires not later than 10 years from the date of grant.

The following table summarizes activity related to stock options for the three months ended March 31, 2020 and 2019:

	Options Outstanding			Options Exercisable	
	Number of Options	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Life	Number of Options	Weighted Average Exercise Price Per Share
At December 31, 2018	3,486,150	\$ 19.00	6.30	1,660,400	\$ 19.00
Granted	156,129	13.60	4.87	156,129	13.60
Exercised	(208,700)	19.00	—	(208,700)	19.00
Forfeited or expired	(40,000)	—	—	—	—
At March 31, 2019	3,393,579	18.75	5.99	1,607,829	18.48
At December 31, 2019	3,233,779	18.74	5.24	3,233,779	18.74
Granted	—	—	—	—	—
Exercised	(213,129)	15.04	—	(213,129)	15.04
Forfeited or expired	—	—	—	—	—
At March 31, 2020	3,020,650	\$ 19.00	4.99	3,020,650	\$ 19.00

The expected life has been determined based on an average of vesting and contractual period. The risk-free interest rate was determined based on the yields available on U.S. Treasury zero-coupon issues. The expected stock price volatility was determined based on historical volatilities of comparable companies. The expected dividend yield was determined based on estimated future dividend payments divided by the IPO stock price.

The Company recognized \$1.4 million for the three months ended March 31, 2019 of compensation expense in relation to the stock options issued and outstanding. As of March 31, 2020 the stock options to purchase shares of Class A Common Stock were fully vested.

Amended and Restated Investment Technology Group, Inc. 2007 Omnibus Equity Compensation Plan

On the ITG Closing Date, the Company assumed the Amended and Restated ITG 2007 Equity Plan and the Assumed Awards. The Assumed Awards are subject to the same terms and conditions that were applicable to them under the Amended and Restated ITG 2007 Equity Plan, except that (i) the Assumed Awards relate to shares of the Company's Class A Common Stock, (ii) the number of shares of Class A Common Stock subject to the Assumed Awards was the result of an adjustment based upon an Exchange Ratio (as defined in the ITG Merger Agreement) and (iii) the performance share unit awards were converted into service-based vesting restricted stock unit awards that were no longer subject to any performance based vesting conditions. As of the ITG Closing Date, the aggregate number of shares of Class A Common Stock subject to such Assumed Awards was 2,497,028 and the aggregate number of shares of Class A Common Stock that remained issuable pursuant to the Amended and Restated ITG 2007 Equity Plan was 1,230,406. The Company filed a Registration Statement on Form S-8 on the ITG Closing Date to register such shares of Class A Common Stock.

Class A Common Stock and Restricted Stock Units

Pursuant to the Amended and Restated 2015 Management Incentive Plan as described in Note 17 "Capital Structure", subsequent to the IPO, shares of immediately vested Class A Common Stock and restricted stock units were granted, with the latter vesting over a period of up to 4 years. The fair value of the Class A Common Stock and RSUs was determined based on a volume weighted average price and is being recognized on a straight-line basis over the vesting period. For the three months ended March 31, 2020 and 2019, respectively, there were 852,599 and 423,393 shares of immediately vested Class A Common Stock granted as part of year-end compensation. In addition, the Company accrued compensation expense of \$17.1 million and \$2.7 million for the three months ended March 31, 2020 and 2019, respectively, related to immediately vested Class A Common Stock expected to be awarded as part of year-end incentive compensation, which was included in Employee compensation and payroll taxes on the Condensed Consolidated Statements of Comprehensive Income and Accounts payable, accrued expenses and other liabilities on the Condensed Consolidated Statements of Financial Condition.

The following table summarizes activity related to the RSUs (including the Assumed Awards):

	Number of Shares	Weighted Average Fair Value
At December 31, 2018	1,378,922	\$ 20.03
Granted	3,280,742	25.77
Forfeited	(156,414)	20.70
Vested	(562,537)	22.94
At March 31, 2019	3,940,713	24.37
At December 31, 2019	2,993,489	24.10
Granted	3,034,621	16.26
Forfeited	(161,127)	18.44
Vested	(1,854,961)	20.45
At March 31, 2020	4,012,022	\$ 20.08

The Company recognized \$9.0 million and \$5.0 million for the three months ended March 31, 2020 and 2019, respectively, of compensation expense in relation to the restricted stock units. As of March 31, 2020 and December 31, 2019, total unrecognized share-based compensation expense related to unvested RSUs was \$67.9 million and \$43.4 million, respectively, and this amount is to be recognized over a weighted average period of 1.6 and 2.0 years, respectively.

19. Regulatory Requirement

U.S. Subsidiaries

As of March 31, 2020 and December 31, 2019, U.S. broker-dealer subsidiaries of the Company are subject to the SEC Uniform Net Capital Rule 15c3-1, which requires the maintenance of minimum net capital for each of the U.S. broker-dealers as detailed in the table below. Pursuant to NYSE rules, VAL was also required to maintain \$1.0 million of capital in connection with the operation of its designated market maker (“DMM”) business as of March 31, 2020. The required amount is determined under the exchange rules as the greater of (i) \$1 million or (ii) \$75,000 for every 0.1% of NYSE transaction dollar volume in each of the securities for which the Company is registered as the DMM.

The regulatory capital and regulatory capital requirements of the U.S broker-dealer subsidiaries as of March 31, 2020 were as follows:

(in thousands)	Regulatory Capital	Regulatory Capital Requirement	Excess Regulatory Capital
Virtu Americas LLC	\$ 612,707	\$ 6,918	\$ 605,789
Virtu ITG LLC	65,672	1,312	64,360
Virtu Alnet Securities LLC	840	141	699

As of March 31, 2020, VAL and VITG had \$47.3 million and \$19.4 million, respectively, of cash in special reserve bank accounts for the benefit of customers pursuant to SEC Rule 15c3-3, *Computation for Determination of Reserve Requirements*, and \$8.2 million and \$15.0 million, respectively, of cash in reserve bank accounts for the benefit of proprietary accounts of brokers. The balances are included within Cash restricted or segregated under regulations and other on the Condensed Consolidated Statement of Financial Condition.

The regulatory capital and regulatory capital requirements of the U.S. broker-dealer subsidiaries as of December 31, 2019 were as follows:

(in thousands)	Regulatory Capital	Regulatory Capital Requirement	Excess Regulatory Capital
Virtu Americas LLC	\$ 257,452	\$ 2,571	\$ 254,881
Virtu Financial BD LLC	30,317	1,000	29,317
Virtu Financial Capital Markets LLC	3,710	1,000	2,710
Virtu ITG LLC	66,069	1,000	65,069
Virtu Alnet Securities LLC	1,931	100	1,831

As of December 31, 2019, VAL and VITG had \$22.3 million and \$7.4 million, respectively, of cash in special reserve bank accounts for the benefit of customers pursuant to SEC Rule 15c3-3, *Computation for Determination of Reserve Requirements*, and \$4.5 million and \$5.0 million, respectively, of cash in reserve bank accounts for the benefit of proprietary accounts of brokers.

Foreign Subsidiaries

The Company's foreign subsidiaries are subject to regulatory capital requirements set by local regulatory bodies, including the Investment Industry Regulatory Organization of Canada ("IIROC"), the Central Bank of Ireland, the Financial Conduct Authority in the United Kingdom, the Australian Securities Exchange, the Securities and Futures Commission in Hong Kong, and the Monetary Authority of Singapore. Virtu Financial Canada ULC was admitted to membership in IIROC in March 2019.

The regulatory net capital balances and regulatory capital requirements applicable to the Company's foreign subsidiaries as of March 31, 2020 were as follows:

(in thousands)	Regulatory Capital	Regulatory Capital Requirement	Excess Regulatory Capital
Canada			
Virtu ITG Canada Corp	\$ 11,257	\$ 178	\$ 11,079
TriAct Canada Marketplace LP	743	178	565
Virtu Financial Canada ULC	2,185	178	2,007
Ireland			
Virtu ITG Europe Limited (1)	50,764	30,465	20,299
Virtu Financial Ireland Limited (1)	77,112	42,531	34,581
United Kingdom			
Virtu ITG UK Limited (1)	1,292	929	363
Asia Pacific			
Virtu ITG Australia Limited	21,857	10,155	11,702
Virtu ITG Hong Kong Limited	978	538	440
Virtu ITG Singapore Pte Limited	1,203	70	1,133

(1) Preliminary

As of March 31, 2020, Virtu ITG Europe Limited and Virtu ITG Canada Corp had \$4.1 million and \$0.4 million, respectively, of funds on deposit for trade clearing and settlement activity, and Virtu ITG Hong Kong Ltd had \$30 thousand of segregated balances under a collateral account control agreement for the benefit of certain customers.

The regulatory net capital balances and regulatory capital requirements applicable to the Company's foreign subsidiaries as of December 31, 2019 were as follows:

(in thousands)	Regulatory Capital	Regulatory Capital Requirement	Excess Regulatory Capital
Canada			
Virtu ITG Canada Corp	\$ 13,029	\$ 193	\$ 12,836
TriAct Canada Marketplace LP	2,538	193	2,345
Virtu Financial Canada ULC	2,459	193	2,266
Ireland			
Virtu ITG Europe Limited	54,129	32,484	21,645
Virtu Financial Ireland Limited	78,385	43,233	35,152
United Kingdom			
Virtu ITG UK Limited	1,378	991	387
Asia Pacific			
Virtu ITG Australia Limited	24,574	8,451	16,123
Virtu ITG Hong Kong Limited	3,805	539	3,266
Virtu ITG Singapore Pte Limited	1,179	72	1,107

As of December 31, 2019, Virtu ITG Europe Limited and Virtu ITG Canada Corp had \$1.2 million and \$0.4 million, respectively, of funds on deposit for trade clearing and settlement activity, and Virtu ITG Hong Kong Ltd had \$30 thousand of segregated balances under a collateral account control agreement for the benefit of certain customers.

20. Geographic Information and Business Segments

The Company operates its business in the U.S. and internationally, primarily in Europe and Asia. Significant transactions and balances between geographic regions occur primarily as a result of certain of the Company's subsidiaries incurring operating expenses such as employee compensation, communications and data processing and other overhead costs, for the purpose of providing execution, clearing and other support services to affiliates. Charges for transactions between regions are designed to approximate full costs. Intra-region income and expenses and related balances have been eliminated in the geographic information presented below to accurately reflect the external business conducted in each geographical region. The revenues are attributed to countries based on the locations of the subsidiaries. The following table presents total revenues by geographic area for the three months ended March 31, 2020 and 2019:

(in thousands)	Three Months Ended March 31,	
	2020	2019
Revenues:		
United States	\$ 796,503	\$ 291,336
Ireland	107,910	35,675
Singapore	67,044	26,838
Canada	16,957	5,212
Australia	11,878	3,302
United Kingdom	2,476	284
Others	1,330	344
Total revenues	\$ 1,004,098	\$ 362,991

The Company has two operating segments: (i) Market Making and (ii) Execution Services; and one non-operating segment: Corporate.

The Market Making segment principally consists of market making in the cash, futures and options markets across global equities, options, fixed income, currencies and commodities. As a market maker, the Company commits capital on a principal basis by offering to buy securities from, or sell securities to, broker-dealers, banks and institutions. The Company engages in principal trading in the Market Making segment direct to clients as well as in a supplemental capacity on exchanges, ECNs and ATSs. The Company is an active participant on all major global equity and futures exchanges and also trades on substantially all domestic electronic options exchanges. As a complement to electronic market making, the cash trading business handles specialized orders and also transacts on the OTC Link ATS operated by OTC Markets Group Inc. and the AIM.

The Execution Services segment comprises client-based trading and trading venues, offering execution services in global equities, options, futures and fixed income on behalf of institutions, banks and broker-dealers as well as technology services revenues. The Company earns commissions and commission equivalents as an agent on behalf of clients as well as between principals to transactions; in addition, the Company will commit capital on behalf of clients as needed. Client-based, execution-only trading in the segment is done primarily through a variety of access points including: (i) algorithmic trading and order routing in global equities and options; (ii) institutional sales traders who offer portfolio trading and single stock sales trading which provides execution expertise for program, block and riskless principal trades in global equities and ETFs; and (iii) matching of client conditional orders in POSIT Alert and client orders in the Company's ATSs, including Virtu MatchIt, POSIT, and MATCHNow. The Execution Services segment also includes revenues derived from providing (a) proprietary risk management and trading infrastructure technology to select third parties for a service fee, (b) workflow technology, the Company's integrated, broker-neutral trading tools delivered across the globe including trade order and execution management and order management software applications and network connectivity and (c) trading analytics, including (1) tools enabling portfolio managers and traders to improve pre-trade, real-time and post-trade execution performance, (2) portfolio construction and optimization decisions and (3) securities valuation.

The Corporate segment contains the Company's investments, principally in strategic trading-related opportunities and maintains corporate overhead expenses and all other income and expenses that are not attributable to the Company's other segments.

Management evaluates the performance of its segments on a pre-tax basis. Segment assets and liabilities are not used for evaluating segment performance or in deciding how to allocate resources to segments. The Company's total revenues and income before income taxes and noncontrolling interest ("Pre-tax earnings") by segment for the three months ended March 31, 2020 and 2019 are summarized in the following table:

(in thousands)	Market Making	Execution Services	Corporate	Consolidated Total
2020				
Total revenue	\$ 831,599	\$ 170,438	\$ 2,061	\$ 1,004,098
Income before income taxes and noncontrolling interest	451,546	19,395	(4,716)	466,225
2019				
Total revenue	279,221	83,518	252	362,991
Income (loss) before income taxes and noncontrolling interest	47,539	(44,405)	(19,338)	(16,204)

21. Related Party Transactions

The Company incurs expenses and maintains balances with its affiliates in the ordinary course of business. As of March 31, 2020, and December 31, 2019 the Company had net receivables from its affiliates of \$0.2 million and \$1.3 million, respectively.

The Company has held a minority interest in SBI since 2016 (see Note 10 "Financial Assets and Liabilities"). The Company pays exchange fees to SBI for the trading activities conducted on its proprietary trading system. The Company paid \$3.6 million and \$3.4 million for the three months ended March 31, 2020 and 2019, respectively, to SBI for these trading activities.

The Company makes payments to two JVs (see Note 2 "Summary of Significant Accounting Policies") to fund the construction of the microwave communication networks, and to purchase microwave communication networks, which are recorded within Communications and data processing on the Condensed Consolidated Statements of Comprehensive Income. The Company made payments of \$4.7 million and \$5.2 million to the JVs for the three months ended March 31, 2020 and 2019, respectively.

The Company purchases network connections services from affiliates of Level 3 Communications ("Level 3"). Temasek and its affiliates have a significant ownership interest in Level 3. The Company paid \$0.4 million and \$0.3 million for the three months ended March 31, 2020 and 2019, respectively, to Level 3 for these services.

As described in Note 9 "Borrowings" and Note 17 "Capital Structure", on March 20, 2020 a subsidiary of the Company entered into an agreement with the Founder Member to establish the Founder Member Facility and, upon the execution of the Founder Member Facility and in consideration of the Founder Member's commitments thereunder, the Company delivered to the Founder Member the Warrant. The transactions were unanimously approved by the Company's disinterested Directors.

22. Subsequent Events

The Company has evaluated subsequent events for adjustment to or disclosure in its condensed consolidated financial statements through the date of this report, and has not identified any recordable or disclosable events, not otherwise reported in these condensed consolidated financial statements or the notes thereto, except for the following:

On May 7, 2020, the Company's board of directors declared a dividend of \$0.24 per share of Class A Common Stock and Class B Common Stock and per participating Restricted Stock Unit that will be paid on June 15, 2020 to holders of record as of June 1, 2020.

On April 23, 2020, the Company's board of directors adopted an amendment to the Company's Amended and Restated 2015 Management Incentive Plan in order to increase the number of shares of the Company's Class A Common Stock reserved for issuance, and in respect of which awards may be granted under the Amended and Restated 2015 Plan from 16,000,000

shares of Class A Common Stock to an aggregate of 21,000,000 shares of Class A Common Stock. The amendment is subject to the approval of the Company's shareholders at the Annual Meeting on June 5, 2020.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following management's discussion and analysis covers the three months ended March 31, 2020 and 2019 and should be read in conjunction with the condensed consolidated financial statements of Virtu Financial, Inc. (the "Company") for the period ended March 31, 2020, which are included in Part I, Item 1 of this Quarterly Report on Form 10-Q, and the audited consolidated financial statements and accompanying notes and MD&A for the year ended December 31, 2019, which are included in Items 8 and 7, respectively, of the Company's Annual Report on Form 10-K for the year ended December 31, 2019. This management's discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Unless otherwise stated, all amounts are presented in thousands of dollars.

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements. You should not place undue reliance on forward-looking statements because they are subject to numerous uncertainties and factors relating to our operations and business environment, all of which are difficult to predict and many of which are beyond our control. Forward-looking statements include information concerning our possible or assumed future results of operations, including descriptions of our business strategy. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "may," "will," "should," "believe," "expect," "anticipate," "intend," "plan," "estimate," "project" or, in each case, their negative, or other variations or comparable terminology and expressions. These statements are based on assumptions that we have made in light of our experience in the industry as well as our perceptions of historical trends, current conditions, expected future developments and other factors we believe are appropriate under the circumstances. As you read and consider this Quarterly Report on Form 10-Q, you should understand that forward-looking statements are not guarantees of performance or results and that our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate, may differ materially from those made in or suggested by the forward-looking statements contained in this Quarterly Report on Form 10-Q. By their nature, forward-looking statements involve known and unknown risks and uncertainties, including those described under the heading "Risk Factors" in this Quarterly Report on Form 10-Q, because they relate to events and depend on circumstances that may or may not occur in the future. Although we believe that the forward-looking statements contained in this Quarterly Report on Form 10-Q are based on reasonable assumptions, you should be aware that many factors, including those described under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2019, as filed with the Securities and Exchange Commission ("SEC") on February 28, 2020 (the "2019 Form 10-K"), could affect our actual financial results or results of operations and cash flows, and could cause actual results to differ materially from those in such forward-looking statements, including but not limited to:

- the continuing impacts of COVID-19 and the governmental and other responses thereto, including but not limited to the deployment of our business continuity plan pursuant to which a significant number of our employees currently work remotely, which may increase operational risk, as well as increases in market, counterparty and other forms of operational risk;
- reduced levels of overall trading activity;
- dependence upon trading counterparties and clearing houses performing their obligations to us;
- failures of our customized trading platform;
- risks inherent to the electronic market making business and trading generally;
- increased competition in market making activities and execution services;
- dependence on continued access to sources of liquidity;
- risks associated with self-clearing and other operational elements of our business;
- obligations to comply with applicable regulatory capital requirements;
- litigation or other legal and regulatory-based liabilities;
- proposed legislation that would impose taxes on certain financial transactions in the European Union, the U.S. and other jurisdictions;
- obligations to comply with laws and regulations applicable to our operations in the U.S. and abroad;
- enhanced media and regulatory scrutiny and its impact upon public perception of us or of companies in our industry;

- need to maintain and continue developing proprietary technologies;
- the effect of the ITG Acquisition (as defined below) on existing business relationships, operating results, and ongoing business operations generally;
- the significant costs and significant indebtedness that we have incurred in connection with the ITG Acquisition, and the integration of ITG (as defined below) into our business;
- the risk that we may encounter significant difficulties or delays in integrating the ITG business with ours and that the anticipated benefits, cost savings and synergies or capital release may not be achieved;
- the assumption of potential liabilities and risks relating to ITG's business;
- capacity constraints, system failures, and delays;
- dependence on third party infrastructure or systems;
- use of open source software;
- failure to protect or enforce our intellectual property rights in our proprietary technology;
- failure to protect confidential and proprietary information;
- failure to protect our systems from internal or external cyber threats that could result in damage to our computer systems, business interruption, loss of data or other consequences;
- risks associated with international operations and expansion, including failed acquisitions or dispositions;
- the effects of and changes in economic conditions (such as volatility in the financial markets, inflation, monetary conditions and foreign currency and exchange rate fluctuations, foreign currency controls and/or government mandated pricing controls, as well as in trade, monetary, fiscal and tax policies in international markets), political conditions (such as military actions and terrorist activities), and other global events such as fires, natural disasters, pandemics or extreme weather;
- risks associated with potential growth and associated corporate actions;
- inability to access, or delay in accessing the capital markets to sell shares or raise additional capital;
- loss of key executives and failure to recruit and retain qualified personnel; and
- risks associated with losing access to a significant exchange or other trading venue.

Our forward-looking statements made herein are made only as of the date of this Quarterly Report on Form 10-Q. We expressly disclaim any intent, obligation or undertaking to update or revise any forward-looking statements made herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statements are based. All subsequent written and oral forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the cautionary statements contained in this Quarterly Report on Form 10-Q.

Basis of Preparation

Our condensed consolidated financial statements for the three months ended March 31, 2020 and 2019 reflect our operations and those of our consolidated subsidiaries. As discussed in Note 1 "Organization and Basis of Presentation" and in Note 3 "ITG Acquisition" of Part I Item 1 "Financial Statements" of this Quarterly Report on Form 10-Q, we have accounted for the ITG Acquisition under the acquisition method of accounting. Under the acquisition method of accounting, the assets and liabilities of ITG, as of the ITG Closing Date (as defined below), were recorded at their respective fair values and added to the carrying value of our existing assets and liabilities. Our reported financial condition, results of operations and cash flows for the periods following the ITG Closing Date reflect ITG's and our balances, and reflect the impact of purchase accounting adjustments, including revised amortization and depreciation expense for acquired assets. The financial results for the three months ended March 31, 2019 comprise our results for the entire applicable period and the results of ITG from the ITG Closing Date through March 31, 2019. All periods prior to the ITG Closing Date comprise our results without the results of ITG.

Recent Developments

The ongoing COVID-19 global and national health emergency has caused significant disruption in the international and United States economies and financial markets. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. The spread of COVID-19 has caused, among other matters, illness, death, quarantines, cancellation of events and travel, business and school shutdowns, reduction in business activity and financial transactions, labor shortages, supply chain interruptions and overall economic and financial market instability. The United States now has the world's most reported COVID-19 cases, and all 50 states and the District of Columbia have reported cases of infected individuals. Several states, including New York, where we are headquartered, have declared states of emergency. Similar impacts have been experienced in every country in which we do business. The Company has been impacted in various ways by the COVID-19 outbreak, including experiencing elevated levels of trading volumes and market volatility in the market in which we operate, increases in short term funding requirements as a consequence of these elevated levels, the implementation of our business continuity plan including remote work arrangements for a significant majority of our employees, among other observed impacts. We will continue to monitor the impact of COVID-19, but at the date of this report it is too early to determine the full impact this virus may have on the global financial markets and the overall economy, as well as our business. Should this emerging macro-economic risk continue for an extended period, there could be an adverse material financial impact to the Company's businesses and investments, including a material reduction in the Company's results of operations. For more information on the potential impacts of the COVID-19 outbreak on our business, see Part II Item 1A "Risk Factors" of this Quarterly Report on Form 10-Q.

Overview

We are a leading financial services firm that leverages cutting edge technology to deliver liquidity to the global markets and innovative, transparent trading solutions to our clients. Leveraging our global market structure expertise and scaled, multi-asset technology infrastructure, we provide our clients with a robust product suite including offerings in execution, liquidity sourcing, analytics and broker-neutral, multi-dealer platforms in workflow technology. Our product offerings allow our clients to trade on hundreds of venues across over 50 countries and in multiple asset classes, including global equities, ETFs, foreign exchange, futures, fixed income and other commodities. Our integrated, multi-asset analytics platform provides a range of pre and post-trade services, data products and compliance tools that our clients rely upon to invest, trade and manage risk across global markets. We believe that our broad diversification, in combination with our proprietary technology platform and low-cost structure gives us the scale necessary to grow our business around the globe as we service clients and facilitate risk transfer between global capital markets participants by providing liquidity, while at the same time earning attractive margins and returns.

Technology and operational efficiency are at the core of our business, and our focus on technology is a key element of our success. We have developed a proprietary, multi-asset, multi-currency technology platform that is highly reliable, scalable and modular, and we integrate directly with exchanges, liquidity centers, and our clients. Our market data, order routing, transaction processing, risk management and market surveillance technology modules manage our market making and execution services activities in an efficient manner and enable us to scale our activities globally across additional securities and other financial instruments and asset classes without significant incremental costs or third party licensing or processing fees.

We believe that technology-enabled market makers and execution services providers like Virtu serve an important role in maintaining and enhancing the overall health and efficiency of the global capital markets by ensuring that market participants have an efficient means to invest, transfer risk and analyze the quality of executions. We believe that market participants benefit from the increased liquidity, lower overall trading costs and execution transparency that Virtu provides.

Our execution services and client solutions products are designed to be transparent, because we believe transparency makes markets more efficient and helps investors make better, more informed decisions. We use the latest technology to create and deliver liquidity to global markets and innovative trading solutions and analytics tools to our clients. We interact directly with hundreds of retail brokers, Registered Investment Advisors, private client networks, sell-side brokers, and buy-side institutions.

On July 20, 2017, the KCG Closing Date, the Company completed the all-cash Acquisition of KCG. KCG was a leading independent securities firm offering clients a range of services designed to address trading needs across asset classes, product types and geographies.

As described below, we completed the ITG Acquisition on the ITG Closing Date. ITG was a global financial technology company that offered a suite of trading and financial technology products to help leading brokers and asset

managers improve returns for investors around the world. ITG empowered traders and investors to reduce the end-to-end cost of implementing investments via liquidity, execution, analytics and workflow technology solutions.

We have two operating segments: Market Making and Execution Services, and one non-operating segment: Corporate. Our management allocates resources, assesses performance and manages our business according to these segments.

Market Making

We leverage cutting edge technology to provide competitive and deep liquidity that helps to create more efficient markets around the world. As a market maker and liquidity provider, we stand ready, at any time, to buy or sell a broad range of securities, and we generate profits by buying and selling large volumes of securities and other financial instruments and earning small bid/ask spreads. Our market structure expertise, broad diversification, and scalable execution technology enable us to provide competitive bids and offers in over 25,000 securities and other financial instruments, on over 235 venues, in 36 countries worldwide. We use the latest technology to create and deliver liquidity to the global markets and automate our market making, risk controls, and post-trade processes. As a market maker, we interact directly with hundreds of retail brokers, Registered Investment Advisors, private client networks, sell-side brokers, and buy-side institutions.

We believe the overall level of volumes and realized volatility in the various markets we serve have the greatest impact on our market making businesses. Increases in market volatility can cause bid/ask spreads to widen as market participants are more willing to pay market makers like us to transact immediately and as a result, market makers' capture rate per notional amount transacted increases.

Execution Services

We offer client execution services and trading venues that provide transparent trading in global equities, ETFs, fixed income, currencies, and commodities to institutions, banks and broker-dealers. We generally earn commissions when transacting as an agent for our clients. Client-based, execution-only trading within this segment is done through a variety of access points including: (a) algorithmic trading and order routing; (b) institutional sales traders who offer portfolio trading and single stock sales trading which provides execution expertise for program, block and riskless principal trades in global equities and ETFs; and (c) matching of client conditional orders in POSIT Alert and in our ATs, including Virtu MatchIt, POSIT and MATCHNow. We also earn revenues (a) by providing our proprietary technology and infrastructure to select third parties for a service fee, (b) through workflow technology and our integrated, broker-neutral trading tools delivered across the globe, including order and execution management systems and order management software applications and network connectivity and (c) through trading analytics, including (1) tools enabling portfolio managers and traders to improve pre-trade, real-time and post-trade execution performance, (2) portfolio construction and optimization decisions and (3) securities valuation.

Corporate

Our Corporate segment contains investments principally in strategic financial services-oriented opportunities and maintains corporate overhead expenses and all other income and expenses that are not attributable to our other segments.

Acquisition of Investment Technology Group, Inc.

On March 1, 2019, the ITG Closing Date, we announced the completion of the ITG Acquisition, a cash transaction valued at \$30.30 per ITG share, or a total of approximately \$1.0 billion. In connection with the ITG Acquisition, Virtu Financial, VFH, and the Acquisition Borrower entered into the Credit Agreement, with the lenders party thereto, Jefferies Finance LLC, as administrative agent and Jefferies Finance LLC and RBC Capital Markets, as joint lead arrangers and joint bookrunners. The Credit Agreement provided (i) the First Lien Term Loan Facility (as defined below) in an aggregate principal amount of \$1.5 billion, drawn in its entirety on the ITG Closing Date, with approximately \$404.5 million borrowed by VFH to repay all amounts outstanding under its existing term loan facility and the remaining approximately \$1,095.0 million borrowed by the Acquisition Borrower to finance the consideration and fees and expenses to be paid in connection with the ITG Acquisition, and (ii) the First Lien Revolving Facility (as defined below), with a \$5.0 million letter of credit subfacility and a \$5.0 million swingline subfacility. After the closing of the ITG Acquisition, VFH assumed the obligations of the Acquisition Borrower in respect of the acquisition term loans. Additionally, on the ITG Closing Date, the Company's fourth amended and restated credit agreement, dated as of June 30, 2017 (as amended on January 2, 2018 and September 19, 2018, the "Fourth Amended and Restated Credit Agreement") was terminated.

As described below, the Credit Agreement was amended on October 9, 2019, on which date VFH borrowed and additional \$525.0 million of incremental first lien term loans, the proceeds of which were used together with cash on hand to redeem the Notes (as defined below). The Indenture (as defined below) was fully terminated following such redemption. The Credit Agreement was further amended on March 2, 2020 to, among other things, reduce the interest rate spread over LIBOR or the applicable benchmark by 0.50%.

Amended and Restated 2015 Management Incentive Plan

The Company's board of directors and stockholders adopted the 2015 Management Incentive Plan, which became effective upon consummation of the Company's IPO and was subsequently amended and restated following receipt of approval from the Company's stockholders on June 30, 2017 (the "Amended and Restated 2015 Management Incentive Plan"). The Amended and Restated 2015 Management Incentive Plan provides for the grant of stock options, restricted stock units, and other awards based on an aggregate of 16,000,000 shares of Class A common stock, par value \$0.00001 per share (the "Class A Common Stock"), subject to additional sublimits, including limits on the total option grant to any one participant in a single year and the total performance award to any one participant in a single year. On April 23, 2020, the Company's board of directors adopted an amendment to the Company's Amended and Restated 2015 Management Incentive Plan in order to increase the number of shares of the Company's Class A Common Stock reserved for issuance, and in respect of which awards may be granted under the Amended and Restated 2015 Plan from 16,000,000 shares of Class A Common Stock to an aggregate of 21,000,000 shares of Class A Common Stock. The amendment is subject to the approval of the Company's shareholders at the Annual Meeting on June 5, 2020.

In connection with the IPO, non-qualified stock options to purchase 9,228,000 shares were granted at the IPO per share price, each of which vests in equal annual installments over a period of four years from the grant date and expires not later than 10 years from the grant date. Subsequent to the IPO and through March 31, 2020, options to purchase 1,613,750 shares in the aggregate were forfeited and 4,578,600 options were exercised. The fair value of the stock option grants was determined through the application of the Black-Scholes-Merton model and was recognized on a straight-line basis over the vesting period. In connection with and subsequent to the IPO, 1,677,318 shares of immediately vested Class A Common Stock and 2,620,051 restricted stock units were granted, which vest over a period of up to 4 years and are settled in shares of Class A Common Stock. The fair value of the Class A Common Stock and restricted stock units was determined based on the volume weighted average price for the three days preceding the grant, and with respect to the restricted stock units is recognized on a straight-line basis over the vesting period.

Amended and Restated Investment Technology Group, Inc. 2007 Omnibus Equity Compensation Plan

On the ITG Closing Date, the Company assumed the Amended and Restated ITG 2007 Omnibus Equity Compensation Plan, dated as of June 8, 2017 (the "Amended and Restated ITG 2007 Equity Plan") and certain stock option awards, restricted stock unit awards, deferred stock unit awards and performance stock unit awards granted under the Amended and Restated ITG 2007 Equity Plan (the "Assumed Awards"). The Assumed Awards are subject to the same terms and conditions that were applicable to them under the Amended and Restated ITG 2007 Equity Plan, except that (i) the Assumed Awards relate to shares of the Company's Class A Common Stock, (ii) the number of shares of Class A Common Stock subject to the Assumed Awards was the result of an adjustment based upon an Exchange Ratio (as defined in the Agreement and Plan of Merger by and between the Company, Impala Merger Sub, Inc., a Delaware corporation and an indirect wholly owned subsidiary of the Company, and ITG, dated as of November 6, 2018, the "ITG Merger Agreement") and (iii) the performance share unit awards were converted into service-based vesting restricted stock unit awards that were no longer subject to any performance based vesting conditions. As of the ITG Closing Date, the aggregate number of shares of Class A Common Stock subject to such Assumed Awards was 2,497,028 and the aggregate number of shares of Class A Common Stock that remained issuable pursuant to the Amended and Restated ITG 2007 Equity Plan was 1,230,406. The Company filed a Registration Statement on Form S-8 on the ITG Closing Date to register such shares of Class A Common Stock.

Parent Company Financial Information

There are no material differences between our condensed consolidated financial statements and the financial statements of Virtu Financial except as follows: (i) cash and cash equivalents reflected on our Condensed Consolidated Statement of Financial Condition in the amount of \$0.8 million; (ii) deferred tax assets reflected on our Condensed Consolidated Statement of Financial Condition in the amount of \$193.3 million and tax receivable agreement obligation in the amount of \$256.0 million, in each case as described in greater detail in Note 5 “Tax Receivable Agreements” of Part I Item 1 “Financial Statements” of this Quarterly Report on Form 10-Q; (iii) a portion of the member's equity of Virtu Financial is represented as non-controlling interest on our consolidated Statement of Financial Condition; and (iv) provision for corporate income tax in the amount of \$65.5 million reflected on our Condensed Consolidated Statements of Comprehensive Income for the three months ended March 31, 2020.

Components of Our Results of Operations

The following table shows our i) Total revenue, ii) Total operating expenses, and iii) Income before income taxes and noncontrolling interest by segment for the three months ended March 31, 2020 and 2019:

(in thousands)	Three Months Ended March 31,	
	2020	2019
Market Making		
Total revenue	\$ 831,599	\$ 279,221
Total operating expenses	380,053	231,682
Income before income taxes and noncontrolling interest	451,546	47,539
Execution Services		
Total revenue	170,438	83,518
Total operating expenses	151,043	127,923
Income (loss) before income taxes and noncontrolling interest	19,395	(44,405)
Corporate		
Total revenue	2,061	252
Total operating expenses	6,777	19,590
Income (loss) before income taxes and noncontrolling interest	(4,716)	(19,338)
Consolidated		
Total revenue	1,004,098	362,991
Total operating expenses	537,873	379,195
Income (loss) before income taxes and noncontrolling interest	\$ 466,225	\$ (16,204)

The following table shows our results of operations for the three months ended March 31, 2020 and 2019:

(in thousands)	Three Months Ended March 31,	
	2020	2019
Revenues:		
Trading income, net	\$ 802,466	\$ 257,540
Interest and dividends income	26,516	29,131
Commissions, net and technology services	170,744	75,147
Other, net	4,372	1,173
Total revenue	1,004,098	362,991
Operating Expenses:		
Brokerage, exchange and clearance fees, net	111,538	64,053
Communication and data processing	55,027	41,814
Employee compensation and payroll taxes	170,358	107,837
Payments for order flow	62,280	23,561
Interest and dividends expense	41,440	45,369
Operations and administrative	30,607	22,078
Depreciation and amortization	17,360	16,450
Amortization of purchased intangibles and acquired capitalized software	18,958	10,922
Termination of office leases	276	—
Debt issue cost related to debt refinancing, prepayment and commitment fees	4,171	9,214
Transaction advisory fees and expenses	188	15,109
Financing interest expense on long-term borrowings	25,670	22,788
Total operating expenses	537,873	379,195
Income (loss) before income taxes and noncontrolling interest	466,225	(16,204)
Provision for (benefit from) income taxes	77,987	(2,585)
Net income (loss)	\$ 388,238	\$ (13,619)

Total Revenues

Revenues are generated through market making activities, commissions and fees on execution services activities, which include recurring subscriptions on workflow technology and analytic products. The majority of our revenues are generated through market making activities, which are recorded as Trading income, net and Interest and dividends income. Commissions and fees are derived from commissions charged for trade executions in client execution services. We earn commissions and commission equivalents, as well as, in certain cases, contingent fees based on client revenues, which represent variable consideration. The services offered under these contracts have the same pattern of transfer; accordingly, they are being measured and recognized as a single performance obligation. The performance obligation is satisfied over time, and accordingly, revenue is recognized as time passes. Variable consideration has not been included in the transaction price as the amount of consideration is contingent on factors outside our control.

Recurring revenues are primarily derived from workflow technology connectivity fees generated for matching client orders, and analytics services to select third parties. Revenues from connectivity fees are recognized and billed to clients on a monthly basis. Revenues from commissions attributable to analytic products under bundled arrangements are recognized over the course of the year as the performance obligations for those analytics products are satisfied.

Trading income, net. Trading income, net represents revenue earned from bid/ask spreads. Trading income is generated in the normal course of our market making activities and is typically proportional to the level of trading activity, or volumes, and bid/ask spreads in the asset classes we serve. Our trading income is highly diversified by asset class and geography and is comprised of small amounts earned on millions of trades on various exchanges, primarily in the following two categories: Global Equities and Global FICC, Options and Other. Our trading income, net, results from gains and losses associated with trading strategies, which are designed to capture small bid-ask spreads, while hedging risks. Trading income, net, accounted for 80% and 71% of our total revenues for the three months ended March 31, 2020 and 2019, respectively.

Interest and dividends income. Our market making activities require us to hold securities on a regular basis, and we generate revenues in the form of interest and dividends income from these securities. Interest is also earned on securities borrowed from other market participants pursuant to collateralized financing arrangements and on cash held by brokers. Dividends income arises from holding market making positions over dates on which dividends are paid to shareholders of record.

Commissions, net and technology services. We earn revenues on transactions for which we charge explicit commissions or commission equivalents, which include the majority of our institutional client orders. Commissions and fees are primarily affected by changes in our equities, fixed income and futures transaction volumes with institutional clients, which vary based on client relationships; changes in commission rates; client experience on the various platforms; level of volume based fees from providing liquidity to other trading venues; and the level of our soft dollar and commission recapture activity. Client commission fees are charged for client trades executed by us on behalf of third party broker-dealers and other financial institutions. Revenue is recognized on a trade date basis, which is the point at which the performance obligation to the customer is satisfied, based on the trade being executed. In addition, we offer workflow technology and analytics services to select third parties. Revenues are derived from fees generated by matching sell-side and buy-side clients orders, and from analytic products delivered to the clients.

Technology licensing fees are charged for the licensing of our proprietary technology and the provision of related services, including hosting, management and support. These fees include an up-front component and a recurring fee for the relevant terms, which may include both fixed and variable components. Revenue is recognized ratably for these services over the contractual term of the agreement.

Other, net. We have interests in multiple strategic investments and telecommunications joint ventures (“JVs”). We record our pro-rata share of each JV’s earnings or losses within other, net, while fees related to the use of communication services provided by the JVs are recorded within communications and data processing. As a result of the Acquisition of KCG and the ITG Acquisition and subsequent streamlining of operations, we have subleased certain office space that is not needed for Virtu operations. Sublease income is recorded on a straight-line basis over the life of the sublease. In addition, we record gains or losses on certain one-time transactions within Other, net.

We have a minority investment (the “SBI Investment”) in SBI, a proprietary trading system based in Tokyo. In connection with the investment, we issued bonds to certain affiliates of SBI and used the proceeds to partially finance the transaction. Revenues or losses are recognized due to the changes in fair value of the investment or fluctuations in Japanese Yen conversion rates within Other, net.

Operating Expenses

Brokerage, exchange and clearance fees, net. Brokerage, exchange and clearance fees are our most significant expenses, which include the direct expenses of executing and clearing transactions that we consummate in the course of our market making activities. Brokerage, exchange and clearance fees primarily consist of fees charged by third parties for executing, processing and settling trades. These fees generally increase and decrease in direct correlation with the level of our trading activity. Execution fees are paid primarily to exchanges and venues where we trade. Clearance fees are paid to clearing houses and clearing agents. Rebates based on volume discounts, credits or payments received from exchanges or other marketplaces are netted against brokerage, exchange and clearance fees.

Payments for order flow. Payments for order flow represent payments to broker-dealer clients, in the normal course of business, for directing their order flow to us primarily in U.S. equities. Payments for order flow will fluctuate as we modify our rates and as the portion of our clients that do not accept payments for order flow varies. Payments for order flow also fluctuate based on U.S. equity share and option volumes we interact with and the mix of customer market and limit orders.

Communication and data processing. Communication and data processing represent primarily fixed expenses for leased equipment, equipment co-location, network lines and connectivity for our trading centers and co-location facilities. Communications expense consists primarily of the cost of voice and data telecommunication lines supporting our business, including connectivity to data centers, exchanges, markets and liquidity pools around the world, and data processing expense consists primarily of market data subscription fees that we pay to third parties to receive price quotes and related information.

Employee compensation and payroll taxes. Employee compensation and payroll taxes include employee salaries, cash and non-cash incentive compensation, employee benefits, payroll taxes, severance and other employee related costs. Employee compensation and payroll taxes also includes non-cash compensation expenses with respect to the stock options and restricted stock units granted in connection with and subsequent to the IPO pursuant to the Amended and Restated 2015 Management Incentive Plan and Class A Common Stock underlying certain awards assumed pursuant to the Amended and Restated ITG 2007 Equity Plan.

Interest and dividends expense. We incur interest expense from loaning certain equity securities in the general course of our market making activities pursuant to collateralized lending transactions. Typically, dividend expense is incurred when a dividend is paid on securities sold short.

Operations and administrative. Operations and administrative expense represents occupancy, recruiting, travel and related expense, professional fees and other expenses.

Depreciation and amortization. Depreciation and amortization expense results from the depreciation of fixed assets, such as computing and communications hardware, as well as amortization of leasehold improvements and capitalized in-house software development. We depreciate our computer hardware and related software, office hardware and furniture and fixtures on a straight-line basis over a period of 3 to 7 years based on the estimated useful life of the underlying asset, and we amortize our capitalized software development costs on a straight-line basis over a period of 1.5 to 3 years, which represents the estimated useful lives of the underlying software. We amortize leasehold improvements on a straight-line basis over the lesser of the life of the improvement or the term of the lease.

Amortization of purchased intangibles and acquired capitalized software. Amortization of purchased intangibles and acquired capitalized software represents the amortization of finite lived intangible assets acquired in connection with the acquisition of certain assets from Nyenburgh Holding B.V., Teza Technologies, the Acquisition of KCG, and the ITG Acquisition. These assets are amortized over their useful lives, ranging from 1 to 15 years, except for certain assets which were categorized as having indefinite useful lives.

Termination of office leases. Termination of office leases represents the write-off expense related to certain office space we ceased use of as part of the effort to integrate and consolidate office space in connection with the Acquisition of KCG and the ITG Acquisition. The aggregate write-off amount includes the impairment of operating lease right-of-use assets, leasehold improvements and fixed assets, and dilapidation charges.

Debt issue costs related to debt refinancing, prepayment and commitment fees. As a result of the refinancing or early termination of our long-term borrowings, we accelerate the capitalized debt issue costs and the discount on the term loan that would otherwise be amortized or accreted over the life of the term loan. Premium paid in connection with retiring outstanding bonds, and commitment fees paid for lines of credit are also included in this category.

Transaction advisory fees and expenses. Transaction advisory fees and expenses primarily reflect professional fees incurred by us in connection with the ITG Acquisition in 2019.

Financing interest expense on long-term borrowings. Financing interest expense reflects interest accrued on outstanding indebtedness under our long-term borrowing arrangements.

Provision for (benefit from) income taxes

We are subject to U.S. federal, state and local income tax at the rate applicable to corporations less the rate attributable to the noncontrolling interest in Virtu Financial.

Our effective tax rate is subject to significant variation due to several factors, including variability in our pre-tax and taxable income and loss and the jurisdictions to which they relate, changes in how we do business, acquisitions and investments, audit-related developments, tax law developments (including changes in statutes, regulations, case law, and administrative practices), and relative changes of expenses or losses for which tax benefits are not recognized. Additionally, our effective tax rate can be more or less volatile based on the amount of pre-tax income or loss. For example, the impact of discrete items and non-deductible expenses on our effective tax rate is greater when our pre-tax income is lower.

We regularly assess whether it is more likely than not that we will realize our deferred tax assets in each taxing jurisdiction in which we operate. In performing this assessment with respect to each jurisdiction, we review all available evidence, including actual and expected future earnings, capital gains, and investment in such jurisdiction, the carry-forward periods available to us for tax reporting purposes, and other relevant factors. See Note 13 “Income Taxes” of Part I Item 1 “Financial Statements” of this Quarterly Report on Form 10-Q for additional information.

Non-GAAP Financial Measures and Other Items

To supplement our condensed consolidated financial statements presented in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”), we use the following non-U.S. GAAP (“non-GAAP”) financial measures of financial performance:

- “Adjusted Net Trading Income”, which is the amount of revenue we generate from our market making activities, or Trading income, net, plus Commissions, net and technology services, plus Interest and dividends income, less direct costs associated with those revenues, including Brokerage, exchange and clearance fees, net, Payments for order flow, and Interest and dividends expense. Management believes that this measurement is useful for comparing general operating performance from period to period. Although we use Adjusted Net Trading Income as a financial measure to assess the performance of our business, the use of Adjusted Net Trading Income is limited because it does not include certain material costs that are necessary to operate our business. Our presentation of Adjusted Net Trading Income should not be construed as an indication that our future results will be unaffected by revenues or expenses that are not directly associated with our market making activities.
- “EBITDA”, which measures our operating performance by adjusting net income to exclude Financing interest expense on long-term borrowings, Debt issue cost related to debt refinancing, prepayment, and commitment fees, Depreciation and amortization, Amortization of purchased intangibles and acquired capitalized software, and Income tax expense, and “Adjusted EBITDA”, which measures our operating performance by further adjusting EBITDA to exclude severance, reserve for legal matters, transaction advisory fees and expenses, termination of office leases, COVID-19 one-time costs and donations, other, net, and charges related to share based compensation.
- “Normalized Adjusted Net Income”, “Normalized Adjusted Net Income before income taxes”, “Normalized provision for income taxes”, and “Normalized Adjusted EPS”, which we calculate by adjusting Net Income to exclude certain items including IPO-related adjustments and other non-cash items, assuming that all vested and unvested Virtu Financial Units have been exchanged for Class A Common Stock, and applying an effective tax rate, which was between approximately 24%.
- Operating Margins, which are calculated by dividing net income, EBITDA, and Adjusted EBITDA by Adjusted Net Trading Income.

Adjusted Net Trading Income, EBITDA, Adjusted EBITDA, Normalized Adjusted Net Income, Normalized Adjusted Net Income before income taxes, Normalized provision for income taxes, Normalized Adjusted EPS, and Operating Margins (collectively, the “Company’s Non-GAAP Measures”) are non-GAAP financial measures used by management in evaluating

operating performance and in making strategic decisions. Additional information provided regarding the breakdown of total Adjusted Net Trading Income by category is also a non-GAAP financial measure but is not used by the Company in evaluating operating performance and in making strategic decisions. In addition, these non-GAAP financial measures or similar non-GAAP financial measures are used by research analysts, investment bankers and lenders to assess our operating performance. Management believes that the presentation of the Company's Non-GAAP Measures provides useful information to investors regarding our results of operations and cash flows because they assist both investors and management in analyzing and benchmarking the performance and value of our business. The Company's Non-GAAP Measures provide indicators of general economic performance that are not affected by fluctuations in certain costs or other items. Accordingly, management believes that these measurements are useful for comparing general operating performance from period to period. For the period ended March 31, 2020, we believe that identifying one-time costs and donations associated with COVID-19, comprised of charitable donations made by the Company to affected groups and costs incurred in support of our employee population, and excluding these amounts from our calculation of Adjusted EBITDA and Normalized Adjusted Net Income helps management and investors assess the impact of COVID-19 on our business as well as our general economic performance during the period. Furthermore, our Credit Agreement contains covenants and other tests based on metrics similar to Adjusted EBITDA. Other companies may define Adjusted Net Trading Income, Adjusted EBITDA, Normalized Adjusted Net Income, Normalized Adjusted Net Income before income taxes, Normalized provision for income taxes, Normalized Adjusted EPS, and Operating Margins differently, and as a result the Company's Non-GAAP Measures may not be directly comparable to those of other companies. Although we use these non-GAAP measures as financial measures to assess the performance of our business, such use is limited because they do not include certain material costs necessary to operate our business.

The Company's Non-GAAP Measures should be considered in addition to, and not as a substitute for, Net Income in accordance with U.S. GAAP as a measure of performance. Our presentation of the Company's Non-GAAP Measures should not be construed as an indication that our future results will be unaffected by unusual or nonrecurring items. The Company's Non-GAAP Measures have limitations as analytical tools, and you should not consider them in isolation or as substitutes for analysis of our results as reported under U.S. GAAP. Some of these limitations are:

- they do not reflect every cash expenditure, future requirements for capital expenditures or contractual commitments;
- our EBITDA-based measures do not reflect the significant interest expense or the cash requirements necessary to service interest or principal payment on our debt;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced or require improvements in the future, and our EBITDA-based measures do not reflect any cash requirement for such replacements or improvements;
- they are not adjusted for all non-cash income or expense items that are reflected in our statements of cash flows;
- they do not reflect the impact of earnings or charges resulting from matters we consider not to be indicative of our ongoing operations; and
- they do not reflect limitations on our costs related to transferring earnings from our subsidiaries to us.

Because of these limitations, the Company's Non-GAAP Measures are not intended as alternatives to Net Income as indicators of our operating performance and should not be considered as measures of discretionary cash available to us to invest in the growth of our business or as measures of cash that will be available to us to meet our obligations. We compensate for these limitations by using the Company's Non-GAAP Measures along with other comparative tools, together with U.S. GAAP measurements, to assist in the evaluation of operating performance. These U.S. GAAP measurements include operating Net Income, cash flows from operations and cash flow data. See below a reconciliation of each of the Company's Non-GAAP Measures to the most directly comparable U.S. GAAP measure.

The following table reconciles the Condensed Consolidated Statements of Comprehensive Income to arrive at Adjusted Net Trading Income, EBITDA, Adjusted EBITDA, and Operating Margins for the three months ended March 31, 2020 and 2019.

(in thousands)	Three Months Ended March 31,	
	2020	2019
Reconciliation of Trading income, net to Adjusted Net Trading Income		
Trading income, net	\$ 802,466	\$ 257,540
Interest and dividends income	26,516	29,131
Commissions, net and technology services	170,744	75,147
Brokerage, exchange and clearance fees, net	(111,538)	(64,053)
Payments for order flow	(62,280)	(23,561)
Interest and dividends expense	(41,440)	(45,369)
Adjusted Net Trading Income	\$ 784,468	\$ 228,835
Reconciliation of Net Income to EBITDA and Adjusted EBITDA		
Net income (loss)	\$ 388,238	\$ (13,619)
Financing interest expense on long-term borrowings	25,670	22,788
Debt issue cost related to debt refinancing, prepayment, and commitment fees	4,171	9,214
Depreciation and amortization	17,360	16,450
Amortization of purchased intangibles and acquired capitalized software	18,958	10,922
Provision for (benefit from) income taxes	77,987	(2,585)
EBITDA	\$ 532,384	\$ 43,170
Severance	4,200	53,351
Reserve for legal matters	4,422	—
Transaction advisory fees and expenses	188	15,109
Termination of office leases	276	—
COVID-19 one-time costs and donations	3,383	—
Other, net	(895)	1,387
Share based compensation	25,744	9,813
Charges related to share based compensation at IPO, Amended and Restated 2015 Management Incentive Plan	—	1,394
Adjusted EBITDA	\$ 569,702	\$ 124,224
Selected Operating Margins		
Net Income Margin (1)	49.5%	(6.0)%
EBITDA Margin (2)	67.9%	18.9 %
Adjusted EBITDA Margin (3)	72.6%	54.3 %

- (1) Calculated by dividing net income by Adjusted Net Trading Income.
(2) Calculated by dividing EBITDA by Adjusted Net Trading Income.
(3) Calculated by dividing Adjusted EBITDA by Adjusted Net Trading Income.

The following table reconciles Net Income to arrive at Normalized Adjusted Net Income before income taxes, Normalized provision for income taxes, Normalized Adjusted Net Income and Normalized Adjusted EPS for the three months ended March 31, 2020 and 2019:

(in thousands, except share and per share data)	Three Months Ended March 31,	
	2020	2019
Reconciliation of Net Income to Normalized Adjusted Net Income		
Net income (loss)	\$ 388,238	\$ (13,619)
Provision for (benefit from) income taxes	77,987	(2,585)
Income (loss) before income taxes	466,225	(16,204)
Amortization of purchased intangibles and acquired capitalized software	18,958	10,922
Debt issue cost related to debt refinancing, prepayment, and commitment fees	4,171	9,214
Reserve for legal matters	4,422	—
Severance	4,200	53,351
Transaction advisory fees and expenses	188	15,109
Termination of office leases	276	—
COVID-19 one-time costs and donations	3,383	—
Other, net	(895)	1,387
Share based compensation	25,744	9,813
Charges related to share based compensation at IPO, 2015 Management Incentive Plan	—	1,394
Normalized Adjusted Net Income before income taxes	526,672	84,986
Normalized provision for income taxes (1)	126,401	20,397
Normalized Adjusted Net Income	\$ 400,271	\$ 64,590
Weighted Average Adjusted shares outstanding (2)	195,016,686	192,725,796
Normalized Adjusted EPS	\$ 2.05	\$ 0.34

(1) Reflects U.S. federal, state, and local income tax rate applicable to corporations of approximately 24% for 2020 and 24% for 2019.

(2) Assumes that (1) holders of all vested and unvested non-vesting Virtu Financial Units (together with corresponding shares of the Company's Class C common stock, par value \$0.00001 per share (the "Class C Common Stock")) have exercised their right to exchange such Virtu Financial Units for shares of Class A Common Stock on a one-for-one basis, (2) holders of all Virtu Financial Units (together with corresponding shares of the Company's Class D common stock, par value \$0.00001 per share (the "Class D Common Stock")) have exercised their right to exchange such Virtu Financial Units for shares of the Company's Class B common stock, par value \$0.00001 per share (the "Class B Common Stock") on a one-for-one basis, and subsequently exercised their right to convert the shares of Class B Common Stock into shares of Class A Common Stock on a one-for-one basis. Includes additional shares from dilutive impact of options and restricted stock units outstanding under the Amended and Restated 2015 Management Incentive Plan and the Amended and Restated ITG 2007 Equity Plan during the three months ended March 31, 2020 and 2019.

The following tables reconcile Trading income, net to Adjusted Net Trading Income by segment for the three months ended March 31, 2020 and 2019:

	Three Months Ended March 31, 2020			
	Market Making	Execution Services	Corporate	Total
Trading income, net	\$ 802,663	\$ (197)	\$ —	\$ 802,466
Commissions, net and technology services	769	169,975	—	170,744
Interest and dividends income	26,433	83	—	26,516
Brokerage, exchange and clearance fees, net	(74,358)	(37,180)	—	(111,538)
Payments for order flow	(62,246)	(34)	—	(62,280)
Interest and dividends expense	(40,986)	(454)	—	(41,440)
Adjusted Net Trading Income	<u>\$ 652,275</u>	<u>\$ 132,193</u>	<u>\$ —</u>	<u>\$ 784,468</u>

	Three Months Ended March 31, 2019			
	Market Making	Execution Services	Corporate	Total
Trading income, net	\$ 255,121	\$ 2,419	\$ —	\$ 257,540
Commissions, net and technology services	5,000	70,147	—	75,147
Interest and dividends income	18,503	10,628	—	29,131
Brokerage, exchange and clearance fees, net	(43,027)	(21,026)	—	(64,053)
Payments for order flow	(23,540)	(21)	—	(23,561)
Interest and dividends expense	(34,260)	(11,109)	—	(45,369)
Adjusted Net Trading Income	<u>\$ 177,797</u>	<u>\$ 51,038</u>	<u>\$ —</u>	<u>\$ 228,835</u>

The following tables reconcile our Market Making segment Trading income, net to Adjusted Net Trading Income by category for the three months ended March 31, 2020 and 2019:

	Three Months Ended March 31, 2020			
	Global Equities	Global FICC, Options and Other	Unallocated	Total Market Making
Trading income, net	\$ 708,326	\$ 94,337	\$ —	\$ 802,663
Commissions, net and technology services	769	—	—	769
Brokerage, exchange and clearance fees, net	(61,993)	(12,365)	—	(74,358)
Payments for order flow	(62,246)	—	—	(62,246)
Interest and dividends, net	(13,094)	(1,459)	—	(14,553)
Adjusted Net Trading Income	<u>\$ 571,762</u>	<u>\$ 80,513</u>	<u>\$ —</u>	<u>\$ 652,275</u>

	Three Months Ended March 31, 2019			
	Global Equities	Global FICC, Options and Other	Unallocated	Total Market Making
Trading income, net	\$ 208,633	\$ 49,790	\$ (3,302)	\$ 255,121
Commissions, net and technology services	5,028	(28)	—	5,000
Brokerage, exchange and clearance fees, net	(37,981)	(10,688)	5,642	(43,027)
Payments for order flow	(23,540)	—	—	(23,540)
Interest and dividends, net	(12,532)	(2,989)	(236)	(15,757)
Adjusted Net Trading Income	<u>\$ 139,608</u>	<u>\$ 36,085</u>	<u>\$ 2,104</u>	<u>\$ 177,797</u>

The following table shows our Adjusted Net Trading Income, average daily Adjusted Net Trading Income and percentage of Adjusted Net Trading Income by asset class for the three months ended March 31, 2020 and 2019:

Adjusted Net Trading Income by Category:	Three Months Ended March 31,		
	2020	2019	% Change
Market Making:			
Global Equities	\$ 571,762	\$ 139,608	309.5%
Global FICC, Options and Other	80,513	36,085	123.1%
Unallocated(1)	—	2,104	NM
Total Market Making	652,275	177,797	266.9%
Execution Services	132,193	51,038	159.0%
Corporate	—	—	NM
Adjusted Net Trading Income	\$ 784,468	\$ 228,835	242.8%
Average Daily Adjusted Net Trading Income by Category:	Three Months Ended March 31,		
	2020	2019	% Change
Market Making:			
Global Equities	\$ 9,222	\$ 2,289	302.9%
Global FICC, Options and Other	1,299	592	119.4%
Unallocated(1)	—	34	NM
Total Market Making	10,521	2,915	260.9%
Execution Services	2,132	837	154.7%
Corporate	—	—	NM
Average Daily Adjusted Net Trading Income	\$ 12,653	\$ 3,751	237.3%

(1) Under our methodology for recording “trading income, net” in our Condensed Consolidated Statements of Comprehensive Income from Part I Item 1 “Financial Statements” of this Quarterly Report on Form 10-Q, we recognize revenues based on the exit price of assets and liabilities in accordance with applicable U.S. GAAP rules, and when we calculate Adjusted Net Trading Income for corresponding reporting periods, we start with trading income, net, so calculated. By contrast, when we calculate Adjusted Net Trading Income by category, we do so on a daily basis, and as a result prices used in recognizing revenues may differ. Because we provide liquidity on a global basis, across asset classes and time zones, the timing of any particular Adjusted Net Trading Income calculation may defer or accelerate the amount in a particular category from one day to another, and, at the end of a reporting period, from one reporting period to another. The purpose of the Unallocated category is to ensure that Adjusted Net Trading Income by category sums to total Adjusted Net Trading Income, which can be reconciled to Trading Income, net, calculated in accordance with U.S. GAAP. We do not allocate any resulting differences based on the timing of revenue recognition.

Three Months Ended March 31, 2020 Compared to Three Months Ended March 31, 2019

Total Revenues

Our total revenues increased \$641.1 million, or 176.6%, to \$1,004.1 million for the three months ended March 31, 2020, compared to \$363.0 million for the three months ended March 31, 2019. This increase was primarily attributable to an increase in Trading income, net, of \$544.9 million, which was primarily attributable to the higher market volatility and trading volumes during the first quarter of 2020 compared to 2019, which are largely attributed to the impacts of COVID-19 and the governmental and other responses thereto. In addition, there was an increase in Commissions, net and technology services of \$95.6 million which was primarily attributable to the higher market volatility and trading volumes during the first quarter of 2020 compared to 2019, as well as the results of ITG for the full first quarter of 2020 compared to the results of ITG from the ITG Closing Date through March 31, 2019 in the prior period. Though our total revenues increased during the period, we note

that because of the extraordinary volume and volatility environment during the period and the operational challenges caused directly or indirectly by COVID-19, including the deployment of our business continuity plan and increases in short term liquidity requirements, we selectively limited our client trading and market making businesses during certain periods throughout the quarter.

The following table shows the total revenues by segment for the three months ended March 31, 2020 and 2019.

(in thousands, except for percentage)	Three Months Ended March 31,		
	2020	2019	% Change
Market Making			
Trading income, net	\$ 802,663	\$ 255,121	214.6%
Interest and dividends income	26,433	18,503	42.9%
Commissions, net and technology services	769	5,000	(84.6)%
Other, net	1,734	597	190.5%
Total revenues from Market Making	<u>831,599</u>	<u>279,221</u>	197.8%
Execution Services			
Trading income, net	(197)	2,419	NM
Interest and dividends income	83	10,628	(99.2)%
Commissions, net and technology services	169,975	70,147	142.3%
Other, net	577	324	78%
Total revenues from Execution Services	<u>170,438</u>	<u>83,518</u>	104.1%
Corporate			
Trading income, net	—	—	NM
Interest and dividends income	—	—	NM
Commissions, net and technology services	—	—	NM
Other, net	2,061	252	717.9%
Total revenues from Corporate	<u>2,061</u>	<u>252</u>	717.9%
Consolidated			
Trading income, net	802,466	257,540	211.6%
Interest and dividends income	26,516	29,131	(9.0)%
Commissions, net and technology services	170,744	75,147	127.2%
Other, net	4,372	1,173	272.7%
Total revenues	<u>\$ 1,004,098</u>	<u>\$ 362,991</u>	176.6%

Trading income, net. Trading income, net was primarily earned by our Market Making segment. Trading income, net, increased \$544.9 million, or 211.6%, to \$802.5 million for the three months ended March 31, 2020, compared to \$257.5 million for the three months ended March 31, 2019. The increase was primarily driven by the higher market volatility and trading volumes across global markets and major asset categories during the three months ended March 31, 2020 compared to the prior period. Average daily realized volatility of the S&P 500 Index increased 314.8% compared to the prior period, while average daily U.S. equity consolidated volumes increased 50.5%. Rather than analyzing trading income, net, in isolation, we evaluate it in the broader context of our Adjusted Net Trading Income, together with Interest and dividends income, Interest and dividends expense, Commissions, net and technology services, Payments for order flow, and Brokerage, exchange and clearance fees, net, each of which are described below.

Interest and dividends income. Interest and dividends income was primarily earned by our Market Making segment. Interest and dividends income decreased \$2.6 million, or 9.0%, to \$26.5 million for the three months ended March 31, 2020, compared to \$29.1 million for the three months ended March 31, 2019. This decrease was primarily attributable to lower interest income earned on cash collateral posted as part of securities loaned transactions driven by lower interest rates compared to the prior period. As indicated above, rather than analyzing interest and dividends income in isolation, we evaluate it in the broader context of our Adjusted Net Trading Income.

Commissions, net and technology services. Commissions, net and technology services revenues were primarily earned by our Execution Services segment. Commissions, net and technology services revenues increased \$95.6 million, or 127.2%, to \$170.7 million for the three months ended March 31, 2020, compared to \$75.1 million for the three months ended March 31, 2019. The increase was primarily attributable to the higher market volatility and trading volumes across major asset categories during the three months ended March 31, 2020 compared to the prior period, as well as the results of ITG for the full first quarter of 2020 compared to the results of ITG from the ITG Closing Date through March 31, 2019 in the prior period. The ITG Acquisition brought recurring connectivity revenues generated from workflow technology and subscription revenues from analytics services to Commissions, net and technology services.

Other, net. Other, net increased \$3.2 million, or 272.7%, to \$4.4 million for the three months ended March 31, 2020, compared to \$1.2 million for the three months ended March 31, 2019. The balance of Other income for the three months ended March 31, 2020 reflects rental income from subleasing certain office space and net gains on the Company's equity method investments.

Adjusted Net Trading Income

Adjusted Net Trading Income increased \$555.6 million, or 242.8%, to \$784.5 million for the three months ended March 31, 2020, compared to \$228.8 million for the three months ended March 31, 2019. This increase was primarily attributable to higher Trading income, net, driven by higher market volatility and trading volumes across major asset categories during the three months ended March 31, 2020 compared to the prior period. Average daily realized volatility of the S&P 500 Index and average daily CVIX realized volatility increased 314.8% and 237.0%, respectively, compared to the prior period, while average daily U.S. equity consolidated volumes increased 50.5%. There was also an increase in Commissions, net and technology services as a result of higher market volatility and trading volumes across major asset categories, and the ITG Acquisition. There were increases in Trading income, net in Global Equities of \$432.2 million, and in Global FICC, Options and Other of \$44.4 million, from the Market Making segment. There was also an increase of \$81.2 million, or 159.0%, in the Execution Services segment. Adjusted Net Trading Income per day increased \$8.9 million, or 237.3%, to \$12.7 million for the three months ended March 31, 2020, compared to \$3.8 million for the three months ended March 31, 2019. The number of trading days was 62 and 61 for the three months ended March 31, 2020 and 2019, respectively. Adjusted Net Trading Income is a non-GAAP measure. For a full description of Adjusted Net Trading Income and a reconciliation of Adjusted Net Trading Income to trading income, net, see "Non-GAAP Financial Measures and Other Items" in this "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations".

Operating Expenses

Our operating expenses increased \$158.7 million, or 41.8%, to \$537.9 million for the three months ended March 31, 2020, compared to \$379.2 million for the three months ended March 31, 2019. The increase in operating expenses was primarily due to higher trading related expenses as a result of the increases in volumes traded during the three months ended March 31, 2020 compared to the prior period. Additionally, the results of ITG for the full first quarter of 2020 compared to the one-month results of ITG from the ITG Closing Date through March 31, 2019 in the prior period caused an overall increase in expenses in multiple expense categories as described in more detail below.

Brokerage, exchange and clearance fees, net. Brokerage exchange and clearance fees, net, increased \$47.5 million, or 74.1%, to \$111.5 million for the three months ended March 31, 2020, compared to \$64.1 million for the three months ended March 31, 2019. This increase was primarily attributable to an increase in volume we traded in Global Equities instruments and other asset categories. As indicated above, rather than analyzing brokerage, exchange and clearance fees, net, in isolation, we evaluate it in the broader context of our Adjusted Net Trading Income.

Communication and data processing. Communication and data processing expense increased \$13.2 million, or 31.6%, to \$55.0 million for the three months ended March 31, 2020, compared to \$41.8 million for the three months ended March 31, 2019. This increase was primarily due to the additional connectivity and market data service subscriptions acquired as part of the ITG Acquisition. The increase was partially offset by reductions in connectivity connections as a result of an on-going effort to consolidate various communication and data processing subscriptions.

Employee compensation and payroll taxes. Employee compensation and payroll taxes increased \$62.5 million, or 58.0%, to \$170.4 million for the three months ended March 31, 2020, compared to \$107.8 million for the three months ended March 31, 2019. The increase in compensation levels was primarily attributable to increased incentive compensation, which is recorded at management's discretion and is generally accrued in connection with the overall level of profitability, as well as adjustments in integration and headcount planning. Furthermore, we incurred additional compensation expense as a result of one-time cash bonuses awarded to certain employees to mitigate the effects of the COVID-19 pandemic. We have capitalized and therefore excluded employee compensation and benefits related to software development of \$7.8 million and \$6.8 million for the three months ended March 31, 2020 and 2019, respectively.

Payments for order flow. Payments for order flow increased \$38.7 million, or 164.3%, to \$62.3 million for the three months ended March 31, 2020, compared to \$23.6 million for the three months ended March 31, 2019. The increase was primarily attributable to the increase in volumes from our broker-dealer clients eligible for payments for order flow. Payments for order flow also fluctuate based on U.S. equity share and option volumes, our profitability and the mix of market orders, limit orders, and customer mix. As indicated above, rather than analyzing payments for order flow in isolation, we evaluate it in the broader context of our Adjusted Net Trading Income.

Interest and dividends expense. Interest and dividends expense decreased \$3.9 million, or 8.7%, to \$41.4 million for the three months ended March 31, 2020, compared to \$45.4 million for the three months ended March 31, 2019. This decrease was primarily attributable to lower interest expense incurred on cash collateral received as part of securities lending transactions. As indicated above, rather than analyzing interest and dividends expense in isolation, we generally evaluate it in the broader context of our Adjusted Net Trading Income.

Operations and administrative. Operations and administrative expense increased \$8.5 million, or 38.6%, to \$30.6 million for the three months ended March 31, 2020, compared to \$22.1 million for the three months ended March 31, 2019. The increase was primarily attributable to the additional occupancy, professional and consulting expenses resulting from the ITG Acquisition, offset by on-going efforts to consolidate office premises and professional services, as well as additional costs incurred in connection with the deployment of our business continuity plan in response to the COVID-19 pandemic, including additional hardware and other technology spending to facilitate remote work arrangements for our employees, in addition to corporate donations made in support of first responders and other groups impacted by COVID-19.

Depreciation and amortization. Depreciation and amortization increased \$0.9 million, or 5.5%, to \$17.4 million for the three months ended March 31, 2020, compared to \$16.5 million for the three months ended March 31, 2019. This increase was primarily attributable to depreciation and amortization of additional assets resulting from the ITG Acquisition. The overall increase was partially offset by the decrease in depreciation and amortization as a result of assets being written-off as part of the cessation of use of certain leased office space (see "Termination of office leases" below).

Amortization of purchased intangibles and acquired capitalized software. Amortization of purchased intangibles and acquired capitalized software increased \$8.0 million, or 73.6%, to \$19.0 million for the three months ended March 31, 2020, compared to \$10.9 million for the three months ended March 31, 2019. This increase was due to the amortization of intangible assets acquired in connection with the ITG Acquisition.

Termination of office leases. Termination of office leases was \$0.3 million for the three months ended March 31, 2020, compared to \$0.0 million for the three months ended March 31, 2019. The increase in termination of office leases was due to dilapidation charges incurred for certain abandoned office space as part of the effort to integrate and consolidate office space in connection with the ITG Acquisition.

Debt issue costs related to debt refinancing, prepayment and commitment fees. Expense from debt issue costs related to debt refinancing, prepayment and commitment fees decreased \$5.0 million, or 54.7%, to \$4.2 million for the three months ended March 31, 2020, compared to \$9.2 million for the three months ended March 31, 2019. The higher amount for the three months ended March 31, 2019 mainly reflects costs incurred related to the termination of the Existing Term Loan Facility (as defined below) in the first quarter of 2019.

Transaction advisory fees and expenses. Transaction advisory fees and expenses decreased \$14.9 million, or 98.8%, to \$0.2 million for the three months ended March 31, 2020, compared to \$15.1 million for the three months ended March 31, 2019. The decrease was primarily attributable to the ITG Acquisition, for which we incurred significant transaction advisory fees during the first quarter of 2019. The decrease was partially offset by increases related to the Founder Member Loan Facility, and certain other borrowing arrangements, which we undertook to increase our available short term liquidity in response to the extraordinary volume and volatility environment during the quarter, driven largely by COVID-19 and responses.

Financing interest expense on long term borrowings. Financing interest expense on long-term borrowings increased \$2.9 million, or 12.6%, to \$25.7 million for the three months ended March 31, 2020, compared to \$22.8 million for the three months ended March 31, 2019. This increase was primarily attributable to the increase in outstanding principal as a result of the First Lien Term Loan Facility and the Incremental Term Loans as discussed in Note 9 “Borrowings” of Part I Item 1 “Financial Statements” of this Quarterly Report on Form 10-Q.

Provision for (benefit from) income taxes

We incur corporate tax at the U.S. federal income tax rate on our taxable income, as adjusted for noncontrolling interest in Virtu Financial. Our income tax expense reflects such U.S. federal income tax as well as taxes payable by certain of our non-U.S. subsidiaries. Our provision for income taxes was \$78.0 million for the three months ended March 31, 2020, compared to a benefit from income taxes of \$2.6 million for the three months ended March 31, 2019. The change was primarily due to the income before income taxes and noncontrolling interest for the three months ended March 31, 2020, compared to a loss before taxes during the prior year period.

Liquidity and Capital Resources

General

As of March 31, 2020, we had \$710.5 million in Cash and cash equivalents. This balance is maintained primarily to support operating activities for capital expenditures and for short-term access to liquidity, and for other general corporate purposes. As of March 31, 2020, we had borrowings under our prime brokerage credit facilities of approximately \$283.0 million, borrowing under broker dealer facilities of \$239.0 million, short-term bank overdrafts of \$180.5 million, and long-term debt outstanding in an aggregate principal amount of approximately \$1,957.5 million. As of March 31, 2020, our regulatory capital requirements for domestic U.S. broker-dealer subsidiaries were \$8.4 million, in aggregate.

The majority of our trading assets consist of exchange-listed marketable securities, which are marked-to-market daily, and collateralized receivables from broker-dealers and clearing organizations arising from proprietary securities transactions. Collateralized receivables consist primarily of securities borrowed, receivables from clearing houses for settlement of securities transactions and, to a lesser extent, securities purchased under agreements to resell. We actively manage our liquidity, and we maintain significant borrowing facilities through the securities lending markets and with banks and prime brokers. We have continually received the benefit of uncommitted margin financing from our prime brokers globally. These margin facilities are secured by securities in accounts held at the prime brokers. For purposes of providing additional liquidity, we maintain a committed credit facility and an uncommitted credit facility for our wholly-owned broker-dealer subsidiaries, as discussed in Note 9 “Borrowings” of Part I Item 1 “Financial Statements” of this Quarterly Report on Form 10-Q.

As a result of the substantially elevated volume and volatility environment during the quarter attributable largely to the COVID-19 pandemic and governmental and other responses thereto, our trading activities both in our market making segment and in our execution services segment increased materially. This increase in our activity and our customers’ activity together with the extraordinary volatility during certain periods within the quarter drove our short-term liquidity needs significantly higher as compared to prior periods. Specifically, our daily margin requirements with the National Securities Clearing Corporation (“NSCC”) rose substantially on select dates during the period. In order to manage these increased daily funding obligations, we have taken steps during the period or shortly thereafter to increase available short-term liquidity and to reduce our short term funding requirements. Increases to our available short-term liquidity included entering into the Founder Member Loan Facility (as defined below), the Demand Loan (as defined below) and the Committed Broker Dealer Facility Sublimit Increase, each of which are described in further detail below as well as in Note 9 “Borrowings” of Part I Item 1 “Financial Statements” of this Quarterly Report on Form 10-Q. Steps taken to reduce our short-term funding requirements have included arranging for select clients trades to be cleared by another large financial institution, reducing limits on daily client trading activity on a client-by-client basis and selectively reducing our market making activities in certain asset classes or products.

Based on our current level of operations and following the steps taken as detailed above, we believe our cash flows from operations, available cash and cash equivalents, and available borrowings under our broker-dealer credit facilities will be adequate to meet our future liquidity needs for more than the next twelve months. We anticipate that our primary upcoming cash and liquidity needs will be increased margin requirements from increased trading activities in markets where we currently provide liquidity and in new markets into which we plan to expand. We manage and monitor our margin and liquidity needs on a real-time basis and can adjust our requirements both intra-day and inter-day, as required. We do not believe that the impacts

of COVID-19 or the governmental and other responses thereto to date have adversely impacted our long term financial condition or long term capital requirements.

We expect our principal sources of future liquidity to come from cash flows provided by operating activities and financing activities. Certain of our cash balances are insured by the Federal Deposit Insurance Corporation, generally up to \$250,000 per account but without a cap under certain conditions. From time to time these cash balances may exceed insured limits, but we select financial institutions deemed highly credit worthy to minimize risk. We consider highly liquid investments with original maturities of less than three months, when acquired, to be cash equivalents.

Tax Receivable Agreements

Generally, we are required under the tax receivable agreements entered into in connection with our IPO to make payments to certain direct or indirect equity holders of Virtu Financial that are generally equal to 85% of the applicable cash tax savings, if any, that we realize as a result of favorable tax attributes that are available to us as a result of the Reorganization Transactions, for exchanges of membership interests for Class A Common Stock or Class B Common Stock and payments made under the tax receivable agreements. We will retain the remaining 15% of any such cash tax savings. We expect that future payments to certain direct or indirect equity holders of Virtu Financial described in Note 5 “Tax Receivable Agreements” to the condensed consolidated financial statements included in Part I Item 1 “Financial Statements” of this Quarterly Report on Form 10-Q are expected to range from approximately \$3.3 million to \$20.7 million per year over the next 15 years. Such payments will occur only after we have filed our U.S. federal and state income tax returns and realized the cash tax savings from the favorable tax attributes. We made our first payment of \$7.0 million in February 2017, our second payment of \$12.4 million in September 2018, and our third payment of \$13.3 million in March 2020. Future payments under the tax receivable agreements in respect of subsequent exchanges would be in addition to these amounts. We currently expect to fund these payments from realized cash tax savings from the favorable tax attributes.

Under the tax receivable agreements, as a result of certain types of transactions and other factors, including a transaction resulting in a change of control, we may also be required to make payments to certain direct or indirect equity holders of Virtu Financial in amounts equal to the present value of future payments we are obligated to make under the tax receivable agreements. We would expect any acceleration of these payments to be funded from the realized favorable tax attributes. However, if the payments under the tax receivable agreements are accelerated, we may be required to raise additional debt or equity to fund such payments. To the extent that we are unable to make payments under the tax receivable agreements for any reason (including because our Amended Credit Agreement restricts the ability of our subsidiaries to make distributions to us) such payments will be deferred and will accrue interest until paid.

Regulatory Capital Requirements

Certain of our operating subsidiaries are subject to separate regulation and capital requirements in the United States and other jurisdictions. Virtu Americas LLC, Virtu ITG LLC, and Virtu Alternet Securities LLC are registered U.S. broker-dealers, and their primary regulators include the SEC and FINRA.

The SEC and FINRA impose rules that require notification when regulatory capital falls below certain pre-defined criteria. These rules also dictate the ratio of debt-to-equity in the regulatory capital composition of a broker-dealer and constrain the ability of a broker-dealer to expand its business under certain circumstances. If a firm fails to maintain the required regulatory capital, it may be subject to suspension or revocation of registration by the applicable regulatory agency, and suspension or expulsion by these regulators could ultimately lead to the firm’s liquidation. Additionally, certain applicable rules impose requirements that may have the effect of prohibiting a broker-dealer from distributing or withdrawing capital and requiring prior notice to and/or approval from the SEC and FINRA for certain capital withdrawals. Virtu Americas LLC is also subject to rules set forth by NYSE and is required to maintain a certain level of capital in connection with the operation of its designated market maker business.

Our Canadian subsidiaries, Virtu ITG Canada Corp, TriAct Canada Marketplace LP, and Virtu Financial Canada ULC, are subject to regulatory capital requirements and periodic requirements to report their regulatory capital and submit other regulatory reports set forth by the Investment Industry Regulatory Organization of Canada. Virtu Financial Ireland Limited and Virtu ITG Europe Limited are regulated by the Central Bank of Ireland as Investment Firms and in accordance with European Union law are required to maintain a minimum amount of regulatory capital based upon their positions, financial conditions, and other factors. In addition to periodic requirements to report their regulatory capital and submit other regulatory reports, Virtu Financial Ireland Limited and Virtu ITG Europe Limited are required to obtain consent prior to receiving capital contributions or making capital distributions from their regulatory capital. Failure to comply with their regulatory capital requirements could result in regulatory sanction or revocation of their regulatory license. Virtu ITG UK Limited is regulated by

the Financial Conduct Authority in the United Kingdom and is subject to similar prudential capital requirements. Virtu ITG Australia Limited, Virtu ITG Hong Kong Limited, and Virtu ITG Singapore Pte Limited are also subject to local regulatory capital requirements and are regulated by the Australian Securities Exchange, the Securities and Futures Commission, and the Monetary Authority of Singapore, respectively.

See Note 19 “Regulatory Requirement” of Part I Item 1 “Financial Statements” of this Quarterly Report on Form 10-Q for a discussion of regulatory capital requirements of our regulated subsidiaries.

Broker Dealer Credit Facilities, Short-Term Bank Loans, and Prime Brokerage Credit Facilities

We maintain various broker-dealer facilities and short-term credit facilities as part of our daily trading operations. See Note 9 “Borrowings” of Part I Item 1 “Financial Statements” of this Quarterly Report on Form 10-Q for details on our various credit facilities. As of March 31, 2020, the outstanding principal balance on our broker-dealer facilities was \$239.0 million, and the outstanding aggregate short-term credit facilities with various prime brokers and other financial institutions from which the Company receives execution or clearing services was approximately \$283.0 million, which was netted within Receivables from broker-dealers and clearing organizations on the Condensed Consolidated Statement of Financial Condition of Part I Item 1 “Financial Statements” of this Quarterly Report on Form 10-Q.

On March 10, 2020, a broker-dealer subsidiary of the Company entered into a short term loan arrangement with Jefferies Financial Group, Inc., as lender, for a \$20 million demand loan (the “Demand Loan”) repayable no later than ninety (90) days after the date of borrowing. The Demand Loan bears interest at a rate of 10% per annum, increased by 2.0% with respect to any principal amounts not paid when due and owing. If an event of default occurs and is continuing, the lender may declare all loans immediately due and payable. The Demand Loan was repaid in full as of April 17, 2020.

On March 20, 2020, a broker-dealer subsidiary of the Company entered into a Loan Agreement (the “Founder Member Loan Facility”) with TJMT Holdings LLC (the “Founder Member”), as lender and administrative agent, providing for unsecured term loans from time to time (the “Founder Member Loans”) in an aggregate original principal amount not to exceed \$300 million. The Founder Member Loans may be borrowed in one or more borrowings on or after March 20, 2020 and prior to September 20, 2020, as further described below. The Borrower intends use the proceeds of the Founder Member Loans solely to finance the purchase and settlement of securities and to fund margin deposits with the National Securities Clearing Corporation and Options Clearing Corporation. The Founder Member is an affiliate of Mr. Vincent Viola, the Company’s founder and Chairman Emeritus. Upon the execution of and in consideration for the Lender’s commitments under the Loan Agreement, the Company delivered to the Founder Member a warrant to purchase shares of the Company’s Class A Common Stock, as described below. The interest rate for the Founder Member Loans, to the extent drawn and outstanding, will be 8.0% per annum, and the Founder Member Loans will be due on September 20, 2020. If an event of default occurs and is continuing, the Lender may increase the interest rate 2.0% above what would otherwise be applicable on overdue amounts, and declare all Founder Member Loans immediately due and payable. The Borrower may prepay the Founder Member Loans in whole or in part at any time without penalty.

On March 20, 2020, in connection with and in consideration of the Founder Member’s commitments under the Founder Member Loan Facility, the Company delivered to the Founder Member a warrant (the “Warrant”) to purchase shares of the Company’s Class A Common Stock. Pursuant to the Warrant, the Founder Member may purchase up to 3,000,000 shares of Class A Common Stock, which number of shares will be increased to 10,000,000 if, at any time during the term of the Founder Member Facility, Founder Member Loans equal to or greater than \$100 million remain outstanding for a certain period of time specified in the Warrant. The exercise price per share of the Class A Common Stock issuable pursuant to the Warrant shall be equal to the average of the volume weighted average prices of the Class A Common Stock for the ten (10) trading days following May 7, 2020, the date on which the Company publicly announced its earnings results for the first quarter of 2020. The Warrant may be exercised on or after May 22, 2020, the eleventh (11th) trading day following the date on which the Company publicly announced its earnings results for the first quarter of 2020, up to and including January 15, 2022. The Warrant and Class A Common Stock issuable pursuant to the Warrant were offered, and will be issued and sold, in reliance on the exemption from the registration requirements of the Securities Act, set forth under Section 4(a)(2) of the Securities Act relating to sales by an issuer not involving any public offering.

The foregoing descriptions of the Founder Member Loan Facility and the Warrant does not purport to be complete and is qualified in its entirety by reference to the complete text of the Warrant, which is filed as an exhibit hereto.

Credit Agreement

In connection with the ITG Acquisition, Virtu Financial, VFH and the Acquisition Borrower entered into the Credit Agreement, with the lenders party thereto, Jefferies Finance LLC, as administrative agent and Jefferies Finance LLC and RBC Capital Markets, as joint lead arrangers and joint bookrunners.

The Credit Agreement provided (i) a senior secured first lien term loan (the “First Lien Term Loan Facility”) in an aggregate principal amount of \$1,500 million, drawn in its entirety on the ITG Closing Date, with approximately \$404.5 million borrowed by VFH to repay all amounts outstanding under the Existing Term Loan Facility (as defined below) and the remaining approximately \$1,095 million borrowed by the Acquisition Borrower to finance the consideration and fees and expenses paid in connection with the ITG Acquisition, and (ii) a \$50.0 million senior secured first lien revolving facility to VFH (the “First Lien Revolving Facility”), with a \$5.0 million letter of credit subfacility and a \$5.0 million swingline subfacility. After the ITG Closing Date, VFH assumed the obligations of the Acquisition Borrower in respect of the acquisition term loans.

On October 9, 2019 (the “Amendment No. 1 Closing Date”), VFH entered into Amendment No. 1 (“Amendment No. 1”), which amended the Credit Agreement dated as of March 1, 2019, by and among VFH, Virtu Financial, the lenders party thereto, and Jefferies Finance, LLC, as administrative agent and collateral agent, to, among other things, provide for \$525.0 million in aggregate principal amount of incremental term loans (the “Incremental Term Loans”), and amend the related collateral agreement. On the Amendment No. 1 Closing Date, VFH borrowed the Incremental Term Loans and used the proceeds together with available cash to redeem all of the \$500.0 million aggregate principal amount of the outstanding 6.750% Senior Secured Second Lien Notes (as defined below) due 2022 issued by VFH and Orchestra Co Issuer, Inc., a Delaware corporation and indirect subsidiary of the Company (together with VFH, the “Issuers”), and pay related fees and expenses. The terms, conditions and covenants applicable to the Incremental Term Loans are the same as the terms, conditions and covenants applicable to the existing term loans under the Credit Agreement, including a maturity date of March 1, 2026.

On March 2, 2020 (the “Amendment No. 2 Closing Date”), VFH entered into Amendment No. 2 (“Amendment No. 2”), which further amended the Credit Agreement (as amended by Amendment No. 1 and Amendment No. 2, the “Amended Credit Agreement”) to, among other things, reduce the interest rate spread over adjusted LIBOR or the alternate base rate by 0.50% per annum and eliminated any stepdown in the spread based on VFH's first lien leverage ratio. The term loan borrowings and revolver borrowings under the Amended Credit Agreement bear interest at a per annum rate equal to, at the Company's election, either (i) the greatest of (a) the prime rate in effect, (b) the greater of (1) the federal funds effective rate and (2) the overnight bank funding rate, in each case plus 0.50%, (c) an adjusted LIBOR rate for a Eurodollar borrowing with an interest period of one month plus 1.00% and (d) 1.00%, plus, in each case, 2.00%, or (ii) the greater of (x) an adjusted LIBOR rate for the interest period in effect and (y) 0%, plus, in each case, 3.00%. In addition, a commitment fee accrues at a rate of 0.50% per annum on the average daily unused amount of the First Lien Revolving Facility, with stepdowns to 0.375% and 0.25% per annum based on VFH's first lien leverage ratio, and is payable quarterly in arrears.

On January 29, 2020, the Company entered into a five-year \$1,000 million floating-to-fixed interest rate swap agreement. The Company also previously entered into a five-year \$525 million floating-to-fixed interest rate swap agreement. As these two interest rate swaps meet the criteria to be considered qualifying cash flow hedges under ASC 815, they effectively fix interest payment obligations on \$1,000 million and \$525.0 million of principal under the First Lien Term Loan Facility at rates of 4.4% and 4.3% through January 2025 and September 2024, respectively, based on the interest rates set forth in the Amended Credit Agreement.

The First Lien Revolving Facility under the Amended Credit Agreement is subject to a springing net first lien leverage ratio which may spring into effect as of the last day of a fiscal quarter if usage of the aggregate revolving commitments exceeds a specified level as of such date. VFH is also subject to contingent principal prepayments based on excess cash flow and certain other triggering events. Borrowings under the Credit Agreement are guaranteed by Virtu Financial and VFH's material non-regulated domestic restricted subsidiaries and secured by substantially all of the assets of VFH and the guarantors, in each case, subject to certain exceptions.

Under the Amended Credit Agreement, term loans will mature on March 1, 2026. The term loans amortize in annual installments equal to 1.0% of the original aggregate principal amount of the term loans. The revolving commitments will terminate on March 1, 2022.

The Amended Credit Agreement contains certain customary covenants and events of default, including relating to a change of control. If an event of default occurs and is continuing, the lenders under the Amended Credit Agreement will be

entitled to take various actions, including the acceleration of amounts outstanding under the Amended Credit Agreement and all actions permitted to be taken by a secured creditor in respect of the collateral securing the obligations under the Amended Credit Agreement.

To finance the Acquisition of KCG, on June 30, 2017, Virtu Financial and VFH previously entered into the Fourth Amended and Restated Credit Agreement which, upon the closing of the Acquisition of KCG, provided for an aggregate \$1.15 billion of first lien secured term loans (the “Existing Term Loan Facility”). As described above, the Existing Term Loan Facility was fully terminated following its repayment in full with the proceeds of the First Lien Term Loan Facility.

We were in compliance with all applicable covenants under the Amended Credit Agreement as of March 31, 2020.

Cash Flows

Our main sources of liquidity are cash flow from the operations of our subsidiaries, our broker-dealer credit facilities (as described above), margin financing provided by our prime brokers and cash on hand.

The table below summarizes our primary sources and uses of cash for the three months ended March 31, 2020 and 2019.

Net cash provided by (used in):	Three Months Ended March 31,	
	2020	2019
Operating activities	\$ (218,661)	\$ (209,969)
Investing activities	(20,011)	(847,988)
Financing activities	280,989	1,113,641
Effect of exchange rate changes on cash and cash equivalents	(10,396)	(3,404)
Net increase (decrease) in cash and cash equivalents	\$ 31,921	\$ 52,280

Operating Activities

Net cash used in operating activities was \$218.7 million for the three months ended March 31, 2020, compared to net cash used in operating activities of \$210.0 million for the three months ended March 31, 2019. The increase in net cash used in operating activities was primarily attributable to increases in net receivables from broker-dealers and clearing organizations for the three months ended March 31, 2020 compared to changes during the prior period.

Investing Activities

Net cash used in investing activities was \$20.0 million for the three months ended March 31, 2020, compared to net cash used in investing activities of \$848.0 million for the three months ended March 31, 2019. The decrease in cash used in investing activities for the three months ended March 31, 2020 was primarily attributable to the \$835.6 million cash used for the ITG Acquisition on the ITG Closing Date during the prior period. See Note 3 “ITG Acquisition” of Part I Item 1 “Financial Statements” of this Quarterly Report on Form 10-Q.

Financing Activities

Net cash provided by financing activities was \$281.0 million for the three months ended March 31, 2020, while net cash provided by financing activities was \$1,113.6 million for the three months ended March 31, 2019. The cash provided by financing activities for the three months ended March 31, 2020 was primarily attributable to a net increase in short term borrowings of \$358.9 million, driven by higher short-term liquidity needs as compared to prior periods, specifically our daily margin requirements with the NSCC as described above. This increase was partially offset by dividends paid of \$29.6 million and distributions made to noncontrolling interests of \$19.2 million. The cash provided by financing activities of \$1,113.6 million during the prior period reflect net proceeds from long-term borrowings associated with our entering the Credit Agreement on the ITG Closing Date, as described above.

Secondary Offerings

In May 2018, the Company and certain selling stockholders completed a public offering (the “May 2018 Secondary Offering”) of 17,250,000 shares of Class A Common Stock by the Company and certain selling stockholders at a purchase price per share of \$27.16 (the offering price to the public of \$28.00 per share minus the underwriters’ discount), which included the exercise in full by the underwriters of their option to purchase additional shares in the May 2018 Secondary Offering. The Company sold 10,518,750 shares of Class A Common Stock in the offering, the net proceeds of which were used to purchase an equivalent number of Virtu Financial Units and corresponding shares of Class D Common Stock from TJMT Holdings LLC pursuant to that certain Member Purchase Agreement, entered into on May 15, 2018 by and between the Company and TJMT Holdings LLC. The selling stockholders sold 6,731,250 shares of Class A Common Stock in the May 2018 Secondary Offering, including 2,081,250 shares of Class A Common Stock issued by the Company upon the exercise of vested stock options.

In connection with the May 2018 Secondary Offering, the Company, TJMT Holdings LLC, North Island Stockholder, Havelock Fund Investments Pte. Ltd. (“Havelock”) and Aranda entered into that certain Amendment No. 1 to the Amended and Restated Registration Rights Agreement dated April 20, 2017, by and among the Company, TJMT Holdings LLC, the North Island Stockholder, Havelock, Aranda and certain direct or indirect equityholders of the Company (the “Amended and Restated Registration Rights Agreement”) to add Mr. Vincent Viola and Mr. Michael Viola, directors of the Company, and to confirm that certain other persons (including the Company’s CEO) remain parties to the Amended and Restated Registration Rights Agreement.

In May 2019, the Company completed a public offering (the “May 2019 Secondary Offering”) of 9,000,000 shares of Class A Common Stock at a purchase price per share paid by the underwriters of \$22.00, the net proceeds of which were used to purchase an equivalent number of Virtu Financial Units and corresponding shares of Class D Common Stock from TJMT Holdings LLC pursuant to that certain Member Purchase Agreement, entered into on May 14, 2019 by and between the Company and TJMT Holdings LLC.

Off-Balance Sheet Arrangements

As of March 31, 2020, we did not have any off-balance sheet arrangements, as defined in Item 303(a)(4)(ii) of Regulation S-K, that have or are reasonably likely to have current or future effects on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

Inflation

We believe inflation has not had a material effect on our financial condition as of March 31, 2020, and December 31, 2019, or on our results of operations and cash flows for the three months ended March 31, 2020 and 2019.

Critical Accounting Policies and Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, as well as the reported amounts of revenue and expenses during the applicable reporting period. Critical accounting policies are those that are the most important portrayal of our financial condition, results of operations and cash flows, and that require our most difficult, subjective and complex judgments as a result of the need to make estimates about the effect of matters that are inherently uncertain. While our significant accounting policies are described in more detail in the notes to our condensed consolidated financial statements, our most critical accounting policies are discussed below. In applying such policies, we must use some amounts that are based upon our informed judgments and best estimates. Estimates, by their nature, are based upon judgments and available information. The estimates that we make are based upon historical factors, current circumstances and the experience and judgment of management. We evaluate our assumptions and estimates on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

Valuation of Financial Instruments

Due to the nature of our operations, substantially all of our financial instrument assets, comprised of financial instruments owned, securities purchased under agreements to resell, and receivables from brokers, dealers and clearing organizations are carried at fair value based on published market prices and are marked to market daily, or are assets which are short-term in nature and are reflected at amounts approximating fair value. Similarly, all of our financial instrument liabilities that arise from financial instruments sold but not yet purchased, securities sold under agreements to repurchase, securities loaned, and payables to brokers, dealers and clearing organizations are short-term in nature and are reported at quoted market prices or at amounts approximating fair value.

Fair value is defined as the price that would be received to sell an asset or would be paid to transfer a liability (i.e., the exit price) in an orderly transaction between market participants at the measurement date. Financial instruments measured and reported at fair value are classified and disclosed in one of the following categories based on inputs:

Level 1 — Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 — Quoted prices in markets that are not active and financial instruments for which all significant inputs are observable, either directly or indirectly; or

Level 3 — Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable.

The fair values for substantially all of our financial instruments owned and financial instruments sold but not yet purchased are based on observable prices and inputs and are classified in levels 1 and 2 of the fair value hierarchy. Instruments categorized within level 3 of the fair value hierarchy are those which require one or more significant inputs that are not observable. Estimating the fair value of level 3 financial instruments requires judgments to be made. See Note 10 “Financial Assets and Liabilities” of Part I Item 1 “Financial Statements” of this Quarterly Report on Form 10-Q for further information about fair value measurements.

Revenue Recognition

Trading Income, Net

Trading income, net, consists of trading gains and losses that are recorded on a trade date basis and reported on a net basis. Trading income, net, is comprised of changes in fair value of financial instruments owned and financial instruments sold, not yet purchased assets and liabilities (i.e., unrealized gains and losses) and realized gains and losses on equities, fixed income securities, currencies and commodities.

Interest and Dividends Income/Interest and Dividends Expense

Interest income and interest expense are accrued in accordance with contractual rates. Interest income consists of income earned on collateralized financing arrangements and on cash held by brokers. Interest expense includes interest expense from collateralized transactions, margin and related short-term lending facilities. Dividends are recorded on the ex-dividend date, and interest is recognized on an accrual basis.

Commissions, net and Technology Services

Commissions, net, which primarily comprise commissions and commission equivalents earned on institutional client orders, are recorded on a trade date basis, which is the point at which the performance obligation to the customer is satisfied. Under a commission management program, we allow institutional clients to allocate a portion of their gross commissions to pay for research and other services provided by third parties. As we act as an agent in these transactions, we record such expenses on a net basis within Commissions, net and technology services in the Condensed Consolidated Statements of Comprehensive Income. The Company recognizes the related revenue when the third-party research services are rendered and payments are made.

Technology services revenues consist of fees paid by third parties for licensing of our proprietary risk management and trading infrastructure technology and provision of associated management and hosting services. These fees include both upfront and annual recurring fees, as well as, in certain cases, contingent fees based on client revenues, which represents

variable consideration. The services offered under these contracts have the same pattern of transfer; accordingly, they are being measured and recognized as a single performance obligation. The performance obligation is satisfied over time, and accordingly, revenue is recognized as time passes. Variable consideration has not been included in the transaction price as the amount of consideration is contingent on factors outside the Company's control and thus it is not probable that a significant reversal of cumulative revenue recognized will not occur. Recurring fees, which exclude variable consideration, are billed and collected on a monthly basis.

Workflow technology revenues consist of order and trade execution management and order routing services we provide through our front-end workflow solutions and network capabilities.

We provide trade order routing from our execution management system ("EMS") to our execution services offerings, with each trade order routed through the EMS representing a separate performance obligation that is satisfied at a point in time. A portion of the commissions earned on the trade is then allocated to Workflow Technology based on the stand-alone selling price paid by third-party brokers for order routing. The remaining commission is allocated to commissions, net using a residual allocation approach. Commissions earned are fixed and revenue is recognized on the trade date.

We participate in commission share arrangements, where trade orders are routed to third-party brokers from our EMS and our order management system ("OMS"). Commission share revenues from third-party brokers are generally fixed and revenue is recognized at a point in time on the trade date.

We also provide OMS and related software products and connectivity services to customers and recognize license fee revenues and monthly connectivity fees. License fee revenues, generated for the use of our OMS and other software products, are fixed and recognized at the point in time at which the customer is able to use and benefit from the license. Connectivity revenue is variable in nature, based on the number of live connections, and is recognized over time on a monthly basis using a time-based measure of progress.

Analytics revenues are earned from providing customers with analytics products and services, including trading and portfolio analytics tools. We provide analytics products and services to customers and recognize subscription fees, which are fixed for the contract term, based on when the products and services are delivered. Analytics services can be delivered either over time (when customers are provided with distinct ongoing access to analytics data) or at a point in time (when reports are only delivered to the customer on a periodic basis). Over time performance obligations are recognized using a time-based measure of progress on a monthly basis, since the analytics products and services are continually provided to the client. Point in time performance obligations are recognized when the analytics reports are delivered to the client.

Analytics products and services can also be paid for through variable bundled arrangements with trade execution services. Customers agree to pay for analytics products and services with commissions generated from trade execution services, and commissions are allocated to the analytics performance obligation(s) using:

- (i) the commission value for each customer for the products and services it receives, which is priced using the value for similar stand-alone subscription arrangements; and
- (ii) a calculated ratio of the commission value for the products and services relative to the total amount of commissions generated from the customer.

For these bundled commission arrangements, the allocated commissions to each analytics performance obligation are then recognized as revenue when the analytics product is delivered, either over time or at a point in time. These allocated commissions may be deferred if the allocated amount exceeds the amount recognizable based on delivery.

Share-Based Compensation

We account for share-based compensation transactions with employees under the provisions of the Financial Accounting Standards Board's Accounting Standards Codification ("ASC") 718, Compensation: Stock Compensation. Share-based compensation transactions with employees are measured based on the fair value of equity instruments issued.

Share-based awards issued for compensation in connection with or subsequent to the Reorganization Transactions and the IPO pursuant to our Amended and Restated 2015 Management Incentive Plan, and assumed pursuant to the Amended and Restated ITG 2007 Equity Plan, were in the form of stock options, Class A Common Stock and restricted stock units. The fair value of the stock option grants is determined through the application of the Black-Scholes-Merton model. The fair value of the Class A Common Stock and restricted stock units is determined based on the volume weighted average price for the three days preceding the grant, and with respect to the restricted stock units, a projected annual forfeiture rate. The fair value of share-

based awards granted to employees is expensed based on the vesting conditions and is recognized on a straight-line basis over the vesting period. We record as treasury stock shares repurchased from employees for the purpose of settling tax liabilities incurred upon the issuance of common stock, the vesting of restricted stock units or the exercise of stock options.

Income Taxes

We conduct our business globally through a number of separate legal entities. Consequently, our effective tax rate is dependent upon the geographic distribution of our earnings or losses and the tax laws and regulations of each legal jurisdiction in which we operate.

Certain of our wholly owned subsidiaries are subject to income taxes in foreign jurisdictions. The provision for income tax is comprised of current tax and deferred tax. Current tax represents the tax on current year tax returns, using tax rates enacted at the balance sheet date. A deferred tax asset is recognized only to the extent that it is probable that future taxable income will be available against which the asset can be utilized.

We are currently subject to audit in various jurisdictions, and these jurisdictions may assess additional income tax liabilities against us. Developments in an audit, litigation, or the relevant laws, regulations, administrative practices, principles, and interpretations could have a material effect on our operating results or cash flows in the period or periods for which that development occurs, as well as for prior and subsequent periods. We recognize the tax benefit from an uncertain tax position in accordance with ASC 740, Income Taxes, only if it is more likely than not that the tax position will be sustained on examination by the applicable taxing authority, including resolution of the appeals or litigation processes, based on the technical merits of the position. The tax benefits recognized in the condensed consolidated financial statements from such a position are measured based on the largest benefit for each such position that has a greater than fifty percent likelihood of being realized upon ultimate resolution. Many factors are considered when evaluating and estimating the tax positions and tax benefits. Such estimates involve interpretations of regulations, rulings, case law, etc. and are inherently complex. Our estimates may require periodic adjustments and may not accurately anticipate actual outcomes as resolution of income tax treatments in individual jurisdictions typically would not be known for several years after completion of any fiscal year.

Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price over the underlying net tangible and intangible assets of our acquisitions. Goodwill is not amortized but is assessed for impairment on an annual basis and between annual assessments whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Goodwill is assessed at the reporting unit level, which is defined as an operating segment or one level below the operating segment.

When assessing impairment, an entity may perform an initial qualitative assessment, under which it assesses qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. In evaluating whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, an entity shall assess relevant events and circumstances, including the following:

- general economic conditions;
- limitations on accessing capital;
- fluctuations in foreign exchange rates or other developments in equity and credit markets;
- industry and market considerations such as a deterioration in the environment in which an entity operates, an increased competitive environment, a decline in market-dependent multiples or metrics (considered in both absolute terms and relative to peers), a change in the market for an entity's products or services, or a regulatory or political development;
 - cost factors such as increases in raw materials, labor, or other costs that have a negative effect on earnings and cash flows;
 - overall financial performance such as negative or declining cash flows or a decline in actual or planned revenue or earnings compared with actual and projected results of relevant prior periods; and
 - other relevant entity-specific events such as changes in management, key personnel, strategy, or customers, contemplation of bankruptcy, or litigation.

If, after assessing the totality of such events or circumstances, an entity determines that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, then no further goodwill impairment testing is necessary.

If further testing is necessary, the fair value of the reporting unit is compared to its carrying value; if the fair value of the reporting unit is less than its carrying value, a goodwill impairment loss is recorded, equal to the excess of the reporting unit's carrying amount over its fair value (not to exceed the total goodwill allocated to that reporting unit).

We assess goodwill for impairment on an annual basis as of July 1st and on an interim basis when certain events or circumstances exist. In the impairment assessment as of July 1, 2019, we performed a qualitative assessment as described above for each reporting unit. No impairment of goodwill was identified.

We amortize finite-lived intangible assets over their estimated useful lives. We test finite-lived intangible assets for impairment when impairment indicators are present, and if impaired, they are written down to fair value.

Recent Accounting Pronouncements

For a discussion of recently issued accounting developments and their impact or potential impact on our condensed consolidated financial statements, see Note 2 "Summary of Significant Accounting Policies" of Part I Item 1 "Financial Statements" of this Quarterly Report on Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market Risk

We are exposed to various market risks in the ordinary course of business. The risks primarily relate to changes in the value of financial instruments due to factors such as market prices, interest rates, and currency rates.

Our on-exchange market making activities are not dependent on the direction of any particular market and are designed to minimize capital at risk at any given time by limiting the notional size of our positions. Our on-exchange market making strategies involve continuously quoting two-sided markets in various financial instruments with the intention of profiting by capturing the spread between the bid and offer price. If another market participant executes against the strategy's bid or offer by crossing the spread, the strategy will attempt to lock in a return by either exiting the position or hedging in one or more different correlated instruments that represent economically equivalent value to the primary instrument. Such primary or hedging instruments include but are not limited to securities and derivatives such as: common shares, exchange traded products, American Depositary Receipts ("ADRs"), options, bonds, futures, spot currencies and commodities. Substantially all of the financial instruments we trade are liquid and can be liquidated within a short time frame at low cost.

Our customer market making activities involve the taking of position risks. The risks at any point in time are limited by the notional size of positions as well as other factors. The overall portfolio risks are quantified using internal risk models and monitored by the Company's Chief Risk Officer, the independent risk group and senior management.

We use various proprietary risk management tools in managing our market risk on a continuous basis (including intraday). In order to minimize the likelihood of unintended activities by our market making strategies, if our risk management system detects a trading strategy generating revenues outside of our preset limits, it will freeze, or "lockdown", that strategy and alert risk management personnel and management. Market risk was elevated during the period, largely as a result of the COVID-19 pandemic and the governmental and other responses thereto.

For working capital purposes, we invest in money market funds and maintain interest and non-interest bearing balances at banks and in our trading accounts with clearing brokers, which are classified as Cash and cash equivalents and Receivables from broker-dealers and clearing organizations, respectively, on the Condensed Consolidated Statements of Financial Condition. These financial instruments do not have maturity dates; the balances are short term, which helps to mitigate our market risks. We also invest our working capital in short-term U.S. government securities, which are included in Financial instruments owned on the Condensed Consolidated Statements of Financial Condition. Our cash and cash equivalents held in foreign currencies are subject to the exposure of foreign currency fluctuations. These balances are monitored daily and are hedged or reduced when appropriate and therefore not material to our overall cash position.

In the normal course of business, we maintain inventories of exchange-listed and other equity securities, and to a lesser extent, fixed income securities and listed equity options. The fair value of these financial instruments at March 31, 2020 and December 31, 2019 was \$3.1 billion and \$2.8 billion, respectively, in long positions and \$2.8 billion and \$2.5 billion, respectively, in short positions. We also enter into futures contracts, which are recorded on our Condensed Consolidated Statements of Financial Condition within Receivable from brokers, dealers and clearing organizations or Payable to brokers, dealers and clearing organizations as applicable.

We calculate daily the potential losses that might arise from a series of different stress events. These include both single factor and multi factor shocks to asset prices based off both historical events and hypothetical scenarios. The stress calculations include a full recalculation of any option positions, non-linear positions and leverage. Senior management and the independent risk group carefully monitor the highest stress scenarios to help mitigate the risk of exposure to extreme events.

The purchase and sale of futures contracts requires margin deposits with a Futures Commission Merchant ("FCM"). The Commodity Exchange Act requires an FCM to segregate all customer transactions and assets from the FCM's proprietary activities. A customer's cash and other equity deposited with an FCM are considered commingled with all other customer funds subject to the FCM's segregation requirements. In the event of an FCM's insolvency, recovery may be limited to the Company's pro rata share of segregated customer funds available. It is possible that the recovery amount could be less than the total cash and other equity deposited.

Interest Rate Risk, Derivative Instruments

In the normal course of business, we utilize derivative financial instruments in connection with our proprietary trading activities. We carry our trading derivative instruments at fair value with gains and losses included in Trading income, net, in the accompanying Condensed Consolidated Statements of Comprehensive Income. Fair value of derivatives that are freely tradable and listed on a national exchange is determined at their last sale price as of the last business day of the period. Since gains and losses are included in earnings, we have elected not to separately disclose gains and losses on derivative instruments, but instead to disclose gains and losses within trading revenue for both derivative and non-derivative instruments.

We also use derivative instruments for risk management purposes, including cash flow hedges used to manage interest rate risk on long-term borrowings and net investment hedges used to manage foreign exchange risk. We have entered into floating-to-fixed interest rate swap agreements in order to manage interest rate risk associated with our long-term debt obligations. Additionally, we may seek to reduce the impact of fluctuations in foreign exchange rates on our net investment in certain non-U.S. operations through the use of foreign currency forward contracts. For interest rate swap agreements and foreign currency forward contracts designated as hedges, we assess our risk management objectives and strategy, including identification of the hedging instrument, the hedged item and the risk exposure and how effectiveness is to be assessed prospectively and retrospectively. The effectiveness of the hedge is assessed based on the overall changes in the fair value of the interest rate swaps or forward contracts. For instruments that meet the criteria to be considered hedging instruments under ASC 815, any gains or losses, to the extent effective, are included in Accumulated other comprehensive income on the Condensed Consolidated Statements of Financial Condition and Other comprehensive income on the Condensed Consolidated Statements of Comprehensive Income. The ineffective portion, if any, is recorded in Other, net on the Condensed Consolidated Statements of Comprehensive Income.

Futures Contracts. As part of our proprietary market making trading strategies, we use futures contracts to gain exposure to changes in values of various indices, commodities, interest rates or foreign currencies. A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date. Upon entering into a futures contract, we are required to pledge to the broker an amount of cash, U.S. government securities or other assets equal to a certain percentage of the contract amount. Subsequent payments, known as variation margin, are made or received by us each day, depending on the daily fluctuations in the fair values of the underlying securities. We recognize a gain or loss equal to the daily variation margin.

Due from Broker-Dealers and Clearing Organizations. Management periodically evaluates our counterparty credit exposures to various brokers and clearing organizations with a view to limiting potential losses resulting from counterparty insolvency.

Foreign Currency Risk

As a result of our international market making and execution services activities and accumulated earnings in our foreign subsidiaries, our income and net worth are subject to fluctuation in foreign exchange rates. While we generate revenues in several currencies, the majority of our operating expenses are denominated in U.S. dollars. Therefore, depreciation in these other currencies against the U.S. dollar would negatively impact revenue upon translation to the U.S. dollar. The impact of any translation of our foreign denominated earnings to the U.S. dollar is mitigated, however, through the impact of daily hedging practices that are employed by the company.

Approximately 20.7% and 19.7% of our total revenues for the three months ended March 31, 2020 and 2019, respectively, were denominated in non-U.S. Dollar currencies. We estimate that a hypothetical 10% adverse change in the value of the U.S. dollar relative to our foreign denominated earnings would have resulted in decreases in revenues of \$20.8 million and \$7.2 million for the three months ended March 31, 2020 and 2019, respectively.

Assets and liabilities of subsidiaries with non-U.S. dollar functional currencies are translated into U.S. dollars at period-end exchange rates. Income, expense and cash flow items are translated at average exchange rates prevailing during the period. The resulting currency translation adjustments are recorded as foreign exchange translation adjustment in our Condensed Consolidated Statements of Comprehensive Income and Condensed Consolidated Statements of Changes in Equity. Our primary currency translation exposures historically relate to net investments in subsidiaries having functional currencies denominated in the Euro, Pound Sterling, and Canadian dollar.

Financial Instruments with Off Balance Sheet Risk

We enter into various transactions involving derivatives and other off-balance sheet financial instruments. These financial instruments include futures, forward contracts, swaps, and exchange-traded options. These derivative financial instruments are used to conduct trading activities and manage market risks and are, therefore, subject to varying degrees of market and credit risk. Derivative transactions are entered into for trading purposes or to economically hedge other positions or transactions.

Futures and forward contracts provide for delayed delivery of the underlying instrument. In situations where we write listed options, we receive a premium in exchange for giving the buyer the right to buy or sell the security at a future date at a contracted price. The contractual or notional amounts related to these financial instruments reflect the volume and activity and do not necessarily reflect the amounts at risk. Futures contracts are executed on an exchange, and cash settlement is made on a daily basis for market movements, typically with a central clearing house as the counterparty. Accordingly, futures contracts generally do not have credit risk. The credit risk for forward contracts, options, and swaps is limited to the unrealized market valuation gains recorded in the Condensed Consolidated Statements of Financial Condition. Market risk is substantially dependent upon the value of the underlying financial instruments and is affected by market forces, such as volatility and changes in interest and foreign exchange rates.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, management has evaluated the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) or 15d-15(e) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of March 31, 2020. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2020, our disclosure controls and procedures were effective to ensure information required to be disclosed by us in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the periods specified in the SEC’s rules and forms and is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures will prevent all errors and all fraud. 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. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, with the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error and mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of controls.

The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, a control may become inadequate because of changes in conditions or because the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected.

Changes to Internal Control over Financial Reporting

No change in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) occurred during the three months ended March 31, 2020 that has or is reasonably likely to materially affect, our internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

The information required by this item is set forth in the “Legal Proceedings” section in Note 14 “Commitments, Contingencies and Guarantees” to the Company’s condensed consolidated financial statements included in Part I Item 1 “Financial Statements”, which is incorporated by reference herein.

ITEM 1A. RISK FACTORS

There have been no material changes to the Risk Factors described in Part I Item 1A. “Risk Factors” in our 2019 Form 10-K, except for the following:

The effects of the outbreak of the novel coronavirus (COVID-19) have negatively affected the global economy, the United States economy and the global financial markets, and may disrupt our operations and our clients' operations, which could have an adverse effect on our business, financial condition and results of operations.

The ongoing COVID-19 global and national health emergency has caused significant disruption in the international and United States economies and financial markets. On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. The spread of COVID-19 has caused, among other matters, illness, death, quarantines, cancellation of events and travel, business and school shutdowns, reduction in business activity and financial transactions, labor shortages, supply chain interruptions and overall economic and financial market instability. The United States now has the world’s most reported COVID-19 cases, and all 50 states and the District of Columbia have reported cases of infected individuals. Several states, including New York, where we are headquartered, have declared states of emergency. Similar impacts have been experienced in every country in which we do business. The Company will continue to monitor the impact of COVID-19, but at the date of this report it is too early to determine the full impact this virus may have on the global financial markets and the overall economy. Impacts to our business could be widespread and global, and material impacts may be possible, including the following:

- Employees, including our senior executives, contracting COVID-19;
- Reductions in our operating effectiveness or efficiency as a significant number of our employees currently work from home and certain travel is subject to governmental restriction;
- Unprecedented volatility in global financial markets, which may increase the risk or potential magnitude of operational errors;
- Increases in liquidity needs, including but not limited to margin funding requirements with clearinghouses or prime brokers, for our business and challenges obtaining sufficient liquidity sources to meet such needs or requirements;
- Adverse impacts on our clients, counterparties, vendors and other business partners on whom we rely for order flow, funding, and critical technological or operational services and the potential increase in risk of counterparty default or insolvency event;
- Closures of our offices or the offices of our clients; and
- Travel restrictions limiting our ability to collaborate internally and engage with current and potential clients and counterparties externally.

We are taking precautions to protect the safety and well-being of our employees, customers and business partners. However, we cannot be certain that the steps we have taken or will take will be deemed to be adequate or appropriate, nor can we predict the level of disruption which will occur to our employee's ability to perform their functions.

The further spread of the COVID-19 outbreak may materially disrupt financial activity generally and in the areas in which we operate. This could result in a decline in demand for our products and services, which would negatively impact our liquidity position and our results. Any one or more of these developments could have a material adverse effect on our and our consolidated subsidiaries' business, operations, consolidated financial condition, and consolidated results of operations.

Significant market volatility relating to the outbreak of the novel coronavirus (COVID-19) could significantly increase our liquidity needs, which could impact our business, financial condition and results of operations if we face challenges in obtaining liquidity.

The COVID-19 pandemic and governmental and other responses thereto has caused and may continue to cause substantially elevated volume and volatility, which has and may continue to result in material increases in our trading activities both in our market making segment and in our execution services segment. This increase in our activity and our customers’ activity together with the extraordinary volatility has resulted in, and may continue to result in, significantly increased margin requirements with the National Securities Clearing Corporation (“NSCC”), the Options Clearing Corporation (“OCC”), as well as certain prime brokers, clearing brokers, and other counterparties. In order to manage these increased daily funding obligations, we have taken and may continue to have to take measures to increase available short-term liquidity and to reduce our short term funding requirements, which may require us to depend on additional sources of liquidity and upon the availability of third parties for services such as trade clearing, and has required and may continue to require us to limit certain of our activities in certain asset classes or products. If such sources of short-term liquidity or third-party services are not available, or if we encounter challenges obtaining such short-term liquidity or third-party services on terms favorable to us or at all, then our business, financial condition and results of operations may be adversely impacted.

In response to the effects of the outbreak of the novel coronavirus (COVID-19) and in accordance with applicable governmental orders and the guidelines of the Center for Disease Control (CDC), we have implemented our business continuity plan (BCP), which may disrupt or negatively impact our business.

As of March 31, 2020, under our BCP a significant majority of our global work force was working remotely, which may increase various risks to our business. These include the risks associated with a computer systems and software failure, cyber risks, capacity constraints, malfunctions and delays. Risks associated with trading operations, financial reporting, internal controls and other key functions and responsibilities may also be elevated, as employees rely on critical technologies to communicate and collaborate and perform core functions remotely. The risk of further disruption or adverse impact may also be heightened as and when governmental orders are lifted or relaxed and we begin to reintegrate our personnel and business into our office locations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Pursuant to the exchange agreement (the “Exchange Agreement”) entered into on April 15, 2015 by and among the Company, Virtu Financial and holders of Virtu Financial Units, Virtu Financial Units (along with the corresponding shares of our Class C Common Stock or Class D Common Stock, as applicable) may be exchanged at any time for shares of our Class A Common Stock or Class B Common Stock, as applicable, on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications.

Total share repurchases for the three months ended March 31, 2020 were as follows:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs
January 1, 2020 - January 31, 2020				
Class A Common Stock / Virtu Financial Units repurchases	622,285	\$ 15.33	—	\$ —
February 1, 2020 - February 28, 2020				
Class A Common Stock / Virtu Financial Units repurchases	12,748	\$ 17.98	—	—
March 1, 2020 - March 31, 2020				
Class A Common Stock / Virtu Financial Units repurchases	7,836	\$ 20.71	—	—
Total Common Stock / Virtu Financial Unit repurchases	642,869	\$ 15.45	—	\$ —

(1) Comprises the repurchase of 642,869 shares from employees in order to satisfy statutory tax withholding requirements upon the net settlement of equity awards for the three months ended March 31, 2020.

As previously disclosed, on March 20, 2020, a broker-dealer subsidiary of the Company entered into a Loan Agreement (the “Founder Member Loan Facility”) with TJMT Holdings LLC (the “Founder Member”), as lender and administrative agent, providing for unsecured term loans from time to time (the “Founder Member Loans”) in an aggregate original principal amount not to exceed \$300 million. In connection with and in consideration of the Founder Member’s commitments under the Founder Member Loan Facility, the Company delivered to the Founder Member a warrant (the “Warrant”) to purchase shares of the Company’s Class A Common Stock. Pursuant to the Warrant, the Founder Member may purchase up to 3,000,000 shares of Class A Common Stock, which number of shares will be increased to 10,000,000 if, at any time during the term of the Founder Member Facility, Founder Member Loans equal to or greater than \$100 million remain outstanding for a certain period of time specified in the Warrant. The exercise price per share of the Class A Common Stock issuable pursuant to the Warrant shall be equal to the average of the volume weighted average prices of the Class A Common Stock for the ten (10) trading days following May 7, 2020, the date on which the Company publicly announced its earnings results for the first quarter of 2020. The Warrant may be exercised on or after May 22, 2020, the eleventh (11th) trading day following the date on which the Company publicly announced its earnings results for the first quarter of 2020, up to and including January 15, 2022. The Warrant and Class A Common Stock issuable pursuant to the Warrant were offered, and will be issued and sold, in reliance on the exemption from the registration requirements of the Securities Act, set forth under Section 4(a)(2) of the Securities Act relating to sales by an issuer not involving any public offering.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
10.1*	Amendment No. 2 dated March 2, 2020 to Credit Agreement, dated March 1, 2019, among Virtu Financial LLC, as Holdings, Impala Borrower LLC, as Acquisition Borrower, VFH Parent LLC, as Refinancing Borrower, the Lenders, Issuing Banks and Swingline Lender Party Hereto, and Jefferies Finance LLC, as Administrative Agent, and Jefferies Finance LLC and RBC Capital Markets, as Joint Lead Arrangers and Joint Bookrunners.
10.2	Loan Agreement Dated as of March 20, 2020 among Virtu Americas LLC, the Lenders from time to time party hereto and TJMT Holdings LLC, as Administrative Agent (incorporated herein by reference to Exhibit 99.19 to the Form 13D/A (File No. 005-89306) filed by TJMT Holdings LLC on March 23, 2020).
10.3	Class A Common Stock Purchase Warrant Dated as of March 20, 2020 issued by Virtu Financial, Inc. in favor of TJMT Holdings LLC (incorporated herein by reference to Exhibit 99.20 to the Form 13D/A (File No. 005-89306) filed by TJMT Holdings LLC on March 23, 2020).
10.4*†	Employment Agreement, dated as of April 30, 2020, by and between Virtu Financial Operating LLC and Joseph Molluso.
31.1*	Certification of Chief Executive Officer required by Rule 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer required by Rule 13a-14(a)/15d-14(a) under the Securities Exchange Act of 1934, as amended, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
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*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase
101.LAB*	XBRL Taxonomy Extension Label Linkbase
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase
101.DEF*	XBRL Taxonomy Extension Definition Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

† Management contract or compensatory plan or arrangement.

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.

Virtu Financial, Inc.

DATE: May 11, 2020

By: /s/ Douglas A. Cifu
Douglas A. Cifu
Chief Executive Officer

DATE: May 11, 2020

By: /s/ Alex Ioffe
Alex Ioffe
Chief Financial Officer

AMENDMENT NO. 2, dated as of March 2, 2020 (this “Amendment”), to the Credit Agreement, dated as of March 1, 2019 (as amended by that certain Amendment No. 1 dated as of October 9, 2019, and as further amended, restated, supplemented or otherwise modified from time to time prior to the date hereof, the “Credit Agreement”), among VIRTU FINANCIAL LLC, a Delaware limited liability company (“Holdings”), VFH PARENT LLC, a Delaware limited liability company (“Virtu” or the “Borrower”), the Subsidiary Loan Parties party thereto from time to time, JEFFERIES FINANCE LLC, as administrative agent and collateral agent (the “Collateral Agent”) (in such capacities, including any successor thereto, the “Administrative Agent”), as an Issuing Bank, and as the Swingline Lender, each other Issuing Bank from time to time party thereto and the LENDERS party thereto from time to time (including JEFFERIES FINANCE LLC, as the Purchasing Term Lender (as defined below)). Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Credit Agreement as amended by this Amendment.

WHEREAS, pursuant to and in accordance with Section 9.02 of the Credit Agreement, the Borrower has requested that the Credit Agreement be amended as provided in Section 1 of this Amendment to, among other things, modify the definition of “Applicable Rate”;

WHEREAS, each Term Lender that executes and delivers a signature page to this Amendment (each, an “Amendment No. 2 Consenting Lender”) in the form attached hereto (each, a “Lender Consent”) by 1:00 p.m., New York City time, on February 10, 2020 (the “Consent Deadline”) shall have consented to the amendments to the Credit Agreement set forth in this Amendment;

WHEREAS, the Jefferies Finance LLC (in such capacity, the “Purchasing Term Lender”) has agreed to purchase on the Amendment No. 2 Effective Date (as defined below) all Initial Term Loans held by Term Lenders that do not execute and deliver a Lender Consent at or prior to the Consent Deadline (each, an “Amendment No. 2 Non-Consenting Lender”);

WHEREAS, both prior to and after giving effect to the Amendment No. 2 Assignment and Assumption Agreements (as defined below), the Consenting Lenders shall constitute the Required Lenders, and after giving effect to the Amendment No. 2 Assignment and Assumption Agreements and the operation of Section 9.02(c) of the Credit Agreement, the Amendment No. 2 Consenting Lenders, together with the Purchasing Term Lender, shall constitute all of the Term Lenders;

WHEREAS, the entering into of this Amendment on the Amendment No. 2 Effective Date and the payment of fees and expenses in connection therewith are collectively hereinafter referred to as the “Amendment No. 2 Transactions”; and

WHEREAS, Jefferies Finance LLC will act as sole lead arranger and bookrunner (the “Amendment No. 2 Lead Arranger”) in connection with this Amendment.

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

SECTION 1. Amendment of the Credit Agreement. The Credit Agreement is, effective as of the Amendment No. 2 Effective Date, hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the double-underlined text (indicated textually in the same manner as the following example: double-underlined text) as set forth in the pages of the Credit Agreement attached as Exhibit A hereto.

(a) If any Lender holding Initial Term Loans immediately prior to the Amendment No. 2 Effective Date (each such Lender, an “Existing Term Lender”) shall become an Amendment No. 2 Non-Consenting Lender, then pursuant to and in compliance with the terms of Section 9.02(c) of the Credit Agreement, such Amendment No. 2 Non-Consenting Lender may be replaced and all of its interests, rights and obligations under the Credit Agreement and the related Loan Documents with respect to its Initial Term Loans purchased and assigned and delegated to the Purchasing Term Lender. As of the Amendment No. 2 Effective Date, each Amendment No. 2 Non-Consenting Lender will execute an Assignment and Assumption for all of its then outstanding Initial Term Loans and will be deemed to have assigned all of its then outstanding Initial Term Loans to the Purchasing Term Lender, in each case pursuant to and in compliance with the terms of Section 9.02(c) of the Credit Agreement; provided that pursuant to Section 9.02(c), the failure of any such Amendment No. 2 Non-Consenting Lender to execute an Assignment and Assumption shall not render such sale and purchase (and the corresponding assignment) contemplated by this Amendment to be invalid and such assignment shall be recorded in the Register. Each Amendment No. 2 Non-Consenting Lender shall be paid all accrued and unpaid interest and fees (if any) on its Initial Term Loans to, but not including, the Amendment No. 2 Effective Date. This Amendment shall be deemed to be an assignment by each Amendment No. 2 Non-Consenting Lender of its Initial Term Loans to the Purchasing Term Lender.

(b) The Administrative Agent hereby consents to this Amendment and consents to the assignment of the then outstanding Initial Term Loans of each Amendment No. 2 Non-Consenting Lender to the Purchasing Term Lender in accordance with Sections 9.02(c) and 9.04 of the Credit Agreement.

(c) For the avoidance of doubt, all Initial Term Loans outstanding immediately prior to the Amendment No. 2 Effective Date shall continue to be outstanding as Initial Term Loans under the Credit Agreement on and after the Amendment No. 2 Effective Date and shall continue as the same Class of Initial Term Loans for all purposes under the Credit Agreement.

SECTION 3. EFFECTIVENESS. THIS AMENDMENT SHALL BECOME EFFECTIVE ON THE DATE (SUCH DATE AND TIME OF EFFECTIVENESS, THE “AMENDMENT NO. 2 EFFECTIVE DATE”) THAT EACH OF THE CONDITIONS PRECEDENT SET FORTH BELOW SHALL HAVE BEEN SATISFIED:

(a) The Administrative Agent shall have received (i) counterparts of this Amendment executed by the Borrower, the Administrative Agent and the Purchasing Term Lender, (ii) from each of the Consenting Lenders that, collectively,

constitute the Required Lenders prior to giving effect to the Amendment No. 2 Assignment and Assumption Agreements, a duly executed Lender Consent, (iii) an Assignment and Assumption (collectively, the “Amendment No. 2 Assignment and Assumption Agreements”) with respect to each Term Lender that is an Amendment No. 2 Non-Consenting Lender, in each case assigning, in accordance with Section 9.02(c) of the Credit Agreement, all such Term Loans of such Term Lender to the Purchasing Term Lender; provided that the condition precedent in this clause (iii) shall be deemed to be satisfied (a) upon receipt of an Amendment No. 2 Assignment and Assumption Agreement from such Non-Consenting Lender or (b) by operation of Section 9.02(c) of the Credit Agreement, without a duly executed counterpart Amendment No. 2 Assignment and Assumption Agreement from such Non-Consenting Lender, so long as such duly executed counterparts by the Administrative Agent and the Purchasing Term Lender shall have been delivered and (iv) after giving effect to the Amendment No. 2 Assignment and Assumption Agreements and the operation of Section 9.02(c) of the Credit Agreement, a Lender Consent duly executed by the Purchasing Term Lender and the other Consenting Lenders constituting all Term Lenders;

(b) The Administrative Agent shall have received a certificate from the chief financial officer or chief operating officer of the Borrower certifying as to the satisfaction of the conditions set forth in clause (i) of this Section 3;

(c) The Administrative Agent and the Lenders shall have received a certificate from the chief financial officer or chief operating officer of the Borrower in the form of Exhibit R to the Credit Agreement certifying as to the solvency of the Borrower and its Subsidiaries on a consolidated basis after giving effect to the Amendment No. 2 Transactions;

(d) The Administrative Agent shall have received a certificate of each Loan Party, dated the Amendment No. 2 Effective Date, substantially in the form of Exhibit G to the Credit Agreement with appropriate insertions, executed by any Responsible Officer of such Loan Party, and including or attaching the documents referred to in clause (e) of this Section 3;

(e) The Administrative Agent shall have received a copy of (i) each Organizational Document of each Loan Party certified, to the extent applicable, as of a recent date by the applicable Governmental Authority, or a certification from such Loan Party that its Organizational Documents in the form delivered to the Administrative Agent on the Amendment No. 1 Effective Date, as applicable, have not been amended or modified since the date of such delivery and are in full force and effect, (ii) signature and incumbency certificates of the Responsible Officers of each Loan Party executing the Loan Documents to which it is a party, (iii) resolutions of the board of directors and/or similar governing bodies of each Loan Party approving and

authorizing the execution, delivery and performance of the Loan Documents to which it is a party, certified as of the Amendment No. 2 Effective Date by its secretary, an assistant secretary or a Responsible Officer as being in full force and effect without modification or amendment, and (iv) a good standing certificate (to the extent such concept exists) from the applicable Governmental Authority of each Loan Party's jurisdiction of incorporation, organization or formation;

(f) The Borrower shall have paid, or concurrently herewith shall pay to the (x) Amendment No. 2 Lead Arranger such fees as have separately been agreed by the Amendment No. 2 Lead Arranger and the Borrower and (y) to the extent invoiced at least three (3) Business Days prior to the Amendment No. 2 Effective Date, the reasonable and documented out-of-pocket expenses of the Administrative Agent and the Amendment No. 2 Lead Arranger in connection with this Amendment (including the reasonable fees and expenses of Cahill Gordon & Reindel LLP, counsel to the Amendment No. 2 Lead Arranger and the Administrative Agent);

(g) The Administrative Agent shall have received for the account of each Consenting Lender (including any assignee of any Amendment No. 2 Non-Consenting Lender), a consent fee (the "Consent Fee") in an amount equal to 0.125% of the aggregate principal amount of such Consenting Lender's Term Loans outstanding immediately prior to the Amendment No. 2 Effective Date; and

(h) (i) The Administrative Agent and the Amendment No. 2 Lead Arranger shall have received, at least three (3) Business Days prior to the Amendment No. 2 Effective Date, all documentation and other information about the Loan Parties (including a Beneficial Ownership Certification by the Borrower required under the Beneficial Ownership Regulation) as shall have been reasonable requested in writing at least 10 Business Days prior to the Amendment No. 2 Effective Date by the Administrative Agent or the Amendment No. 2 Lead Arranger that they shall have reasonably determined is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the USA Patriot Act and the Beneficial Ownership Regulations;

(i) (i) the representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct in all material respects on and as of the Amendment No. 2 Effective Date; *provided that*, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; *provided, further*, that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct in all respects on the Amendment No. 2 Effective Date or on such earlier date, as the case may be, and (ii) as of and

immediately after giving effect to the Amendment No. 2 Effective Date, no Default or Event of Default shall have occurred and be continuing; and

(j) the Administrative Agent shall have received evidence reasonably satisfactory to it that, substantially concurrently with the effectiveness of this Amendment on the Amendment No. 2 Effective Date, all accrued and unpaid interest on all of the Initial Term Loans outstanding immediately prior to the Amendment No. 2 Effective Date to, but not including, the Amendment No. 2 Effective Date shall have been paid to the Administrative Agent for the benefit of the Lenders.

SECTION 4. Representations and Warranties. In order to induce the Lenders and the Administrative Agent to enter into this Amendment, each of the Loan Parties represents and warrants to each of the Lenders and the Administrative Agent that, as of the Amendment No. 2 Effective Date, both before and after giving effect to the transactions contemplated by this Amendment:

(a) no Default or Event of Default exists; and

(b) the representations and warranties of each Loan Party set forth in the Loan Documents are true and correct in all material respects on and as of the Amendment No. 2 Effective Date; *provided* that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; *provided, further*, that any representation and warranty that is qualified as to “materiality,” “Material Adverse Effect” or similar language shall be true and correct in all respects on the Amendment No. 2 Effective Date or on such earlier date, as the case may be.

SECTION 5. REFERENCE TO AND EFFECT ON THE LOAN DOCUMENTS; REAFFIRMATION.

(a) On and after the Amendment No. 2 Effective Date, each reference in the Credit Agreement to “this Agreement,” “hereunder,” “hereof” or words of like import referring to the Credit Agreement, and each reference in the Notes and each of the other Loan Documents to “the Credit Agreement,” “thereunder,” “thereof” or words of like import referring to the Credit Agreement, shall mean and be a reference to the Credit Agreement, as amended by this Amendment. The execution, delivery and effectiveness of this Amendment shall not, except as expressly provided herein, operate as a waiver of (or otherwise affect) any right, power or remedy of any Lender or any Agent under any of the Loan Documents, nor constitute a waiver of any provision of any of the Loan Documents. This Amendment shall not constitute a novation of the Credit Agreement or any other Loan Document.

(b) Each of the Loan Parties, (i) hereby consents to the Amendment, (ii) without limiting its obligations under, or the provisions of, the Guarantee Agreement, hereby confirms its respective guarantees, as applicable, under the Guarantee Agreement, (iii) without limiting its obligations under, or the provisions of, the Collateral Agreement, hereby confirms its respective assignments, pledges and

grants of security interests, as applicable, under the Collateral Agreement and each of the other Loan Documents to which it is party, (iv) without limiting its obligations under, or the provisions of, any Loan Document, hereby confirms that the obligations of the Borrower under the Credit Agreement are entitled to the benefits of the guarantees and the security interests set forth or created in the Guarantee Agreement, the Collateral Agreement and the other Loan Documents and constitute "Loan Document Obligations," "Secured Obligations" or other similar term for purposes thereof, (v) hereby agrees that, after giving effect to this Amendment, such guarantees, and pledges and grants of security interests, as applicable, shall continue to be in full force and effect and shall continue to inure to the benefit of the Lenders and the other Secured Parties, (vi) hereby ratifies, confirms and agrees that all Liens granted, conveyed, or assigned to the Administrative Agent by such Person pursuant to any Loan Document to which it is a party remain in full force and effect, are not released or reduced, and after giving effect to the Credit Agreement and the Amendment No. 2 Transactions continue to secure full payment and performance of the Secured Obligations and such Liens continue unimpaired with the same priority to secure repayment of such obligations whether heretofore or hereafter incurred and no new filings are required to be made and no other action is required to be taken to perfect or to maintain the perfection of such Liens and (vii) the Secured Obligations of Borrower and the other Loan Parties under the Credit Agreement that remain unpaid and outstanding as of the Amendment No. 2 Effective Date shall continue to exist under and be evidenced by the Credit Agreement as amended by this Amendment and the other Loan Documents.

(c) Each of the Loan Parties further agrees to take any action that may be required or that is requested by the Administrative Agent to ensure compliance by Holdings or the Borrower with the provisions of Section 5.12 of the Credit Agreement and hereby reaffirms its obligations under each similar provision of each Loan Document to which it is a party.

SECTION 6.

Applicable Law; Waiver of Jury Trial.

(A) THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY CONFLICTS PROVISIONS THAT WOULD RESULT IN THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.

(B) 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 ACTION OR PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AMENDMENT (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY).

SECTION 7. Headings. The Section headings used herein are for convenience of reference only, are not part of this Amendment and are not to affect the construction of, or to be taken into consideration in interpreting, this Amendment.

SECTION 8. Counterparts. This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all of which when taken together shall constitute a single instrument. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or any other electronic transmission shall be effective as delivery of an original executed counterpart hereof.

[Signature pages to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed by their respective authorized officers as of the day and year first written above.

VFH PARENT LLC, as Borrower

By: /s/ Douglas A. Cifu

Name: Douglas A. Cifu

Title: Chief Executive Officer

VIRTU FINANCIAL LLC, as Holdings

By: /s/ Douglas A. Cifu

Name: Douglas A. Cifu

Title: Chief Executive Officer

GLOBAL COLOCATION SERVICES LLC
IMPALA BORROWER LLC
NATIONAL TOWER COMPANY LLC
SERVICES DEVELOPMENT COMPANY LLC
VIRTU FINANCIAL ENERGY AND COMMODITIES, LLC
VIRTU FINANCIAL F/X LLC
VIRTU FINANCIAL GLOBAL SERVICES LLC
VIRTU FINANCIAL OPERATING LLC
VIRTU FINANCIAL SERVICES LLC
VIRTU GETCO HOLDING COMPANY LLC
VIRTU ITG ANALYTICS LLC
VIRTU ITG GLOBAL PRODUCTION LLC
VIRTU ITG GLOBAL TRADING LLC
VIRTU ITG HOLDINGS LLC
VIRTU ITG PLATFORMS LLC
VIRTU ITG SOFTWARE NETWORK LLC
VIRTU KCG HOLDINGS LLC
VIRTU KNIGHT CAPITAL GROPU LLC
VIRTU STRATEGIC HOLDINGS LLC
VIRTU TECHNOLOGIES

By: /s/ Douglas A. Cifu
Name: Douglas A. Cifu
Title: Chief Executive Officer

ORCHESTRA CO-ISSUER, INC.

By: /s/ Douglas A. Cifu
Name: Douglas A. Cifu
Title: President

JEFFERIES FINANCE LLC, as Administrative Agent

By: /s/ Paul Chisholm

Name: Paul Chisolm
Title: Managing Director

JEFFERIES FINANCE LLC, as the Purchasing Term Lender

By: /s/ Paul Chisholm

Name: Paul Chisholm
Title: Managing Director

Term Lender Signature Page to Amendment No. 1

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above and, by its execution and delivery hereof, hereby irrevocably and unconditionally consents to and approves this Amendment.

[NAME OF INSTITUTION]

By: _____

Name:

Title:

If a second signature is necessary:

By: _____

Name:

Title:

Name of Fund Manager (if any):

CREDIT AGREEMENT

dated as of March 1, 2019,
as amended by Amendment No. 1 dated as of October 9, 2019,
as further amended by Amendment No. 2 dated as of March 2, 2020,

among

VIRTU FINANCIAL LLC,
as Holdings,

IMPALA BORROWER LLC,
as Acquisition Borrower,

VFH PARENT LLC,
as Refinancing Borrower,

The Lenders, Issuing Banks and Swingline Lender Party Hereto,

and

JEFFERIES FINANCE LLC,
as Administrative Agent

JEFFERIES FINANCE LLC ~~and RBC CAPITAL MARKETS⁺~~,
as ~~Joint~~ Amendment No. 2 Lead ~~Arrangers and Joint Bookrunners~~ Arranger

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CREDIT AGREEMENT, dated as of March 1, 2019 (this “**Agreement**”), among VIRTU FINANCIAL LLC, a Delaware limited liability company (“**Holdings**”), IMPALA BORROWER LLC, a Delaware limited liability company (“**Impala Borrower**” or the “**Acquisition Borrower**”), VFH PARENT LLC, a Delaware limited liability company (“**Virtu**” or the “**Refinancing Borrower**”, and, together with the Acquisition Borrower, each individually, and collectively referred to herein, as the context may require, the “**Borrower**”), JEFFERIES FINANCE LLC, as administrative agent and collateral agent (the “**Collateral Agent**”) (in such capacities, including any successor thereto, the “**Administrative Agent**”), as an Issuing Bank, and as the Swingline Lender, each other Issuing Bank from time to time party hereto and each lender from time to time party hereto (collectively, the “**Lenders**” and individually, a “**Lender**”).

The parties hereto agree as follows:

ARTICLE 1
DEFINITIONS

Section 1.01. Defined Terms. As used in this Agreement, the following terms have the meanings specified below:

“**ABR**” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Alternate Base Rate.

“**Acceptable Discount**” has the meaning assigned to such term in Section 2.09(a)(ii)(D)(2).

“**Acceptable Prepayment Amount**” has the meaning assigned to such term in Section 2.09(a)(ii)(D)(3).

“**Acceptance and Prepayment Notice**” means an irrevocable written notice from the Borrower accepting a Solicited Discounted Prepayment Offer to make a Discounted Term Loan Prepayment at the Acceptable Discount specified therein pursuant to Section 2.09(a)(ii)(D) substantially in the form of Exhibit O.

“**Acceptance Date**” has the meaning specified in Section 2.09(a)(ii)(D)(2).

“**Acquired EBITDA**” means, with respect to any Acquired Entity or Business or any Converted Restricted Subsidiary (any of the foregoing, a “**Pro Forma Entity**”) for any period, the amount for such period of Consolidated EBITDA of such Pro Forma Entity (determined as if references to Holdings and the Restricted Subsidiaries in the definition of the term “Consolidated EBITDA” were references to such Pro Forma Entity and its subsidiaries which will become Restricted Subsidiaries), all as determined on a consolidated basis for such Pro Forma Entity.

“**Acquired Entity or Business**” has the meaning set forth in the definition of the term “Consolidated EBITDA.”

“**Acquisition**” means, collectively, the Merger and the Asset Contributions.

“Acquisition Agreement Representations” means such of the representations made by ITG in the Merger Agreement as are material to the interests of the Lenders, but only to the extent that the breach of any such representation would result in (i) VFI, the Borrower or any of their affiliates having the right to terminate its or their obligations under the Merger Agreement (after giving effect to any applicable notice and cure period) or (y) the failure of a condition precedent to VFI’s obligation to consummate the Acquisition pursuant to the Merger Agreement.

“Acquisition Borrower” has the meaning assigned to such term in the preamble.

“Acquisition Term Loan Assumption” means the assumption, on the Closing Date following the Asset Contribution, by the Refinancing Borrower of the obligations of the Acquisition Borrower with respect to the Acquisition Term Loans ~~pursuant to Section 2.01(a)~~.

“Acquisition Term Loans” means a Loan made by a Lender to the Acquisition Borrower on the Closing Date ~~pursuant to Section 2.01(a)~~. The aggregate principal amount of Acquisition Term Loans as of the Closing Date is as set forth on Schedule 1.01(b) under the heading “Acquisition Term Loans”.

“Additional Lender” means any Additional Revolving Lender or any Additional Term Lender, as applicable.

“Additional Revolving Lender” means, at any time, any bank or other financial institution that agrees to provide any portion of any (a) Incremental Revolving Facility pursuant to an Incremental Revolving Facility Amendment in accordance with Section 2.18 or (b) Credit Agreement Refinancing Indebtedness in the form of Other Revolving Loans or Other Revolving Commitments pursuant to a Refinancing Amendment in accordance with Section 2.19; *provided* that each Additional Revolving Lender (other than any Person that is a Revolving Lender, an Affiliate of a Revolving Lender or an Approved Fund of a Revolving Lender at such time) shall be subject to the approval of the Administrative Agent and, if such Additional Revolving Lender will provide loans under an Incremental Revolving Facility or any Other Revolving Commitment, the Swingline Lender and each Issuing Bank (such approval, in each case, not to be unreasonably withheld or delayed) and the Borrower.

“Additional Term B Commitment” has the meaning set forth in Amendment No. 1.

“Additional Term B Loans” has the meaning set forth in Amendment No. 1.

“Additional Term Lender” means, at any time, any bank or other financial institution that agrees to provide any portion of any (a) Incremental Term Facility pursuant to an Incremental Term Facility Amendment in accordance with Section 2.18 or (b) Credit Agreement Refinancing Indebtedness in the form of Other Term Loans or Other Term Commitments pursuant to a Refinancing Amendment in accordance with Section 2.19; *provided* that each Additional Term Lender (other than any Person that is a Lender, an Affiliate of a Lender or an Approved Fund of a Lender at such time) shall be subject to the approval of the Administrative Agent (such approval not to be unreasonably withheld or delayed) and the Borrower.

“**Adjusted LIBO Rate**” means, with respect to any Eurodollar Borrowing for any Interest Period, an interest rate per annum equal to (i) the LIBO Rate for such Interest Period *multiplied* by (ii) the Statutory Reserve Rate.

“**Administrative Agent**” has the meaning set forth in the preamble hereto.

“**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, with respect to a specified Person, another Person that directly or indirectly Controls or is Controlled by or is under common Control with the Person specified. For purposes of this Agreement and the other Loan Documents, Jefferies LLC and its Affiliates shall be deemed to be Affiliates of Jefferies Finance LLC and its Affiliates.

“**Agent Parties**” has the meaning given to such term in Section 9.01(c).

“**Agreement**” has the meaning given to such term in the preamble hereto.

“**All-In Yield**” means, as to any Indebtedness, the yield thereof, whether in the form of interest rate, margin, OID, upfront fees, or any interest rate floor (with such increased amount being determined in the manner described in the final proviso of this definition), or otherwise, in each case, incurred or payable by the Borrower to lenders of such Indebtedness; *provided* that OID and upfront fees shall be equated to interest rate assuming a 4-year life to maturity (or, if less, the stated life to maturity at the time of incurrence of the applicable Indebtedness); *provided, further*, that “All-In Yield” shall not include structuring fees, commitment fees, amendment fees, arrangement fees and any similar fees and customary consent fees for an amendment paid generally to consenting lenders; *provided, further*, that, with respect to any Loans of an applicable Class that includes an Adjusted LIBO Rate floor or Alternate Base Rate floor, (1) to the extent that the Adjusted LIBO Rate (with a three-month Interest Period) or Alternate Base Rate (in each case without giving effect to any floor) on the date that the All-In Yield is being calculated is less than such floor, the amount of such difference shall be deemed added to the Applicable Rate for such Loans of such Class for the purpose of calculating the All-In Yield and (2) to the extent that the Adjusted LIBO Rate (with a three-month Interest Period) or Alternate Base Rate (in each case without giving effect to any floor) on the date that the All-In Yield is being calculated is greater than such floor, then the floor shall be disregarded in calculating the All-In Yield.

“**Alternate Base Rate**” means, for any day, a rate per annum equal to the greatest of (a) the Prime Rate in effect on such day, (b) the NYFRB in effect on such day plus 1/2 of 1% and (c) the sum of (a) the Adjusted LIBO Rate (after giving effect to any Adjusted LIBO Rate “floor”) that would be payable on such day for a Eurodollar Borrowing with a one-month Interest Period plus (b) 1.00% per annum; *provided* that for the purpose of this definition, the Adjusted LIBO Rate for any day shall be based on the LIBO Screen Rate (or if the LIBO Screen Rate is not available for such one month Interest Period, the Interpolated Rate) at approximately 11:00 a.m. London time on such date; *provided, further, however*, that notwithstanding the foregoing, with respect to the Initial Term Loans and the Revolving Loans, the Alternate Base Rate will be deemed to be 1.00% annum if the Alternate Base

Rate calculated pursuant to the foregoing provisions would otherwise be less than 1.00%. Any change in the Alternate Base Rate due to a change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate shall be effective from and including the effective date of such change in the Prime Rate, the NYFRB Rate or the Adjusted LIBO Rate, respectively. If the Alternate Base Rate is being used as an alternate rate of interest pursuant to Section 2.12 hereof ([for the avoidance of doubt, only until any amendment has become effective pursuant to Section 2.12\(b\)](#)), then the Alternate Base Rate shall be the greater of clauses (a) and (b) above and shall be determined without reference to clause (c) above.

“**Amendment No. 1**” means Amendment No. 1 to this Agreement dated as of October 9, 2019.

“**Amendment No. 1 Effective Date**” has the meaning set forth in Amendment No. 1.

“**Amendment No. 1 Lead Arranger**” has the meaning set forth in Amendment No. 1.

“**Amendment No. 1 Transactions**” has the meaning set forth in Amendment No. 1.

[“Amendment No. 2” means Amendment No. 2 to this Agreement dated as of March 2, 2020.](#)

[“Amendment No. 2 Effective Date” has the meaning set forth in Amendment No. 2.](#)

[“Amendment No. 2 Lead Arranger” has the meaning set forth in Amendment No. 2.](#)

[“Amendment No. 2 Transactions” has the meaning set forth in Amendment No. 2.](#)

“**Applicable Account**” means, with respect to any payment to be made to the Administrative Agent hereunder, the account specified by the Administrative Agent from time to time for the purpose of receiving payments of such type.

“**Applicable Discount**” has the meaning assigned to such term in Section 2.09(a)(ii)(C)(2).

“**Applicable Fronting Exposure**” means, (a) with respect to any Person that is an Issuing Bank at any time, the sum of (i) the aggregate amount of all Letters of Credit issued by such Person in its capacity as an Issuing Bank (if applicable) that remains available for drawing at such time and (ii) the aggregate amount of all LC Disbursements made by such Person in its capacity as an Issuing Bank (if applicable) that have not yet been reimbursed by or on behalf of the Borrower at such time and (b) with respect to any Person that is a Swingline Lender at any time, the aggregate amount of all Swingline Loans issued by such Person in its capacity as a Swingline Lender (if applicable) that have not yet been reimbursed by or on behalf of the Borrower or been funded by other Revolving Lenders at such time.

“**Applicable Percentage**” means, at any time with respect to any Revolving Lender, the percentage of the Total Revolving Commitments represented by such Lender’s Revolving

Commitment at such time and, solely for purposes of any reallocations made pursuant to Section 2.21(d), after giving effect to any Revolving Lender's status as a Defaulting Lender at the time of determination. If the Revolving Commitments have terminated or expired, the Applicable Percentages shall be determined based upon the Revolving Commitments most recently in effect, giving effect to any assignments pursuant to this Agreement and to any Revolving Lender's status as a Defaulting Lender at the time of determination.

“Applicable Rate” means:

(i) for any day, with respect to any Initial ~~Term Loan or Initial~~ Revolving Loan and, on and following the Closing Date but prior to the Amendment No. 2 Effective Date, any Initial Term Loan, the applicable rate per annum set forth below under the caption “ABR Spread” or “Adjusted LIBO Rate Spread” as the case may be, based upon the First Lien Leverage Ratio as of the end of the fiscal quarter of Holdings for which consolidated financial statements have theretofore been most recently delivered pursuant to Section 5.01(a) or 5.01(b); *provided* that until the date of the delivery of the consolidated financial statements pursuant to Section 5.01(a) or (b), as applicable, as of and for the fiscal quarter ended June 30, 2019, the Applicable Rate shall be based on the rates per annum set forth in Category 1:

<u>First Lien Leverage Ratio:</u>	<u>ABR Spread</u>	<u>Adjusted LIBO Rate Spread</u>
<u>Category 1</u> Greater than 1.30 to 1.00	2.50%	3.50%
<u>Category 2</u> Less than or equal to 1.30 to 1.00	2.25%	3.25%

(ii) for any day on and following the Amendment No. 2 Effective Date, with respect to (x) any Initial Term Loan that is a Eurodollar Loan, 3.00% and (y) any Initial Term Loan that is an ABR Loan, 2.00%.

For purposes of the foregoing, each change in the Applicable Rate resulting from a change in the First Lien Leverage Ratio shall be effective during the period commencing on and including the Business Day following the date of delivery to the Administrative Agent pursuant to Section 5.01(a) or 5.01(b) of the consolidated financial statements and related Compliance Certificate indicating such change in the First Lien Leverage Ratio and ending on the date immediately preceding the effective date of the next such change. Notwithstanding the foregoing, the Applicable Rate, at the option of the Administrative Agent or the Majority in Interest of the applicable Class, commencing upon written notice to the Borrower, shall be based on the rates per annum set forth in Category 1 if the Borrower fails to deliver the consolidated financial statements required to be delivered pursuant to Section 5.01(a) or 5.01(b) or any Compliance Certificate required to be delivered pursuant hereto, in each case, within the time periods specified herein for such delivery, during the period commencing on and including the day of the occurrence of a Default resulting from such failure and until the delivery thereof.

Notwithstanding the foregoing, the Applicable Rate for any Term Loans or Revolving Loans of any Class other than the Initial Term Loans and the Revolving Loans made pursuant to Revolving Commitments established on the Closing Date shall be as set forth in the Refinancing Amendment, Incremental Term Facility Amendment or Incremental Revolving Facility Amendment, as applicable, relating to such Class. The Applicable Rate for any Initial Term Loans may be increased as necessary to comply with the requirements of Section 2.18(a)(ii).

“**Application**” means an application, in such form as the Issuing Bank may specify from time to time, requesting the Issuing Bank to open a Letter of Credit.

“**Approved Bank**” has the meaning assigned to such term in the definition of the term “Permitted Investments.”

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

“**Asset Contributions**” means, immediately following the Merger on the Closing Date, the series of contributions consisting of: (i) the contribution of 100% of the Equity Interests of Impala Borrower, ITG and their respective Subsidiaries (the “Impala Borrower Interests”) by VFI to Holdings; (ii) followed by the contribution of 100% of the Impala Borrower Interests to Virtu; and (iii) followed by the contribution of 100% of the Impala Borrower Interests by Virtu to Virtu Financial Operating LLC resulting in Impala Borrower, ITG and their respective Subsidiaries becoming Wholly Owned Subsidiaries of Virtu Financial Operating LLC.

“**Assignment and Assumption**” means an assignment and assumption entered into by a Lender and an Eligible Assignee (with the consent of any Person whose consent is required by Section 9.04), substantially in the form of Exhibit A-1 or any other form reasonably approved by the Administrative Agent.

“**Assumed Tax Rate**” means the greater of (i) 45% and (ii) the maximum marginal combined federal, state and local income tax rate applicable at such time to a natural person residing in New York City, New York.

“**Auction Agent**” means (a) the Administrative Agent or (b) any other financial institution or advisor employed by the Borrower (whether or not an Affiliate of the Administrative Agent) to act as an arranger in connection with any Discounted Term Loan Prepayment pursuant to Section 2.09(a)(ii); *provided* that the Borrower shall not designate the Administrative Agent as the Auction Agent without the written consent of the Administrative Agent (it being understood that the Administrative Agent shall be under no obligation to agree to act as the Auction Agent).

“**Audited Financial Statements**” means the audited consolidated balance sheet of Holdings for the fiscal year ended December 31, 2018 and the related consolidated statements of income, changes in equity and cash flows of Holdings, including the notes thereto.

“**Available Revolving Commitment**” means as to any Revolving Lender at any time, an amount equal to the excess, if any, of (a) such Lender’s Revolving Commitment then in effect *over* (b) such Lender’s Revolving Exposure then outstanding.

“**Available RP Capacity Amount**” means, at any time of determination, the aggregate amount of Restricted Payments that may be made at such time pursuant to clauses (vii), (viii), (x) and (xi) of Section 6.08(a), minus the sum of the amount of the Available RP Capacity Amount under clauses (vii) and (x) of Section 6.08(a) utilized by the Borrower or any Restricted Subsidiary to make Restricted Payments in reliance on such clauses (it being understood that utilization of the Available RP Capacity Amount for purposes of incurrence of Indebtedness under Section 6.01(a)(xxvi) shall reduce the amount available under the applicable clause in Section 6.08(a) so long as such Indebtedness remains outstanding).

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

“**Bankruptcy Code**” means Title 11 of the United State Code, as amended, or any similar federal or state law for the relief of debtors.

“**Bankruptcy Event**” means with respect to any Person, such Person becomes insolvent or is otherwise the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee, administrator, custodian, assignee for the benefit of creditors or similar Person charged with the reorganization or liquidation of its business appointed for it, or, in the good faith determination of the Administrative Agent, has taken any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any such proceeding or appointment; *provided* that a Bankruptcy Event shall not result solely by virtue of any ownership interest, or the acquisition of any ownership interest, in such Person by a Governmental Authority or instrumentality thereof; *provided, further*, that such ownership interest does not result in or provide such Person 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 Person (or such Governmental Authority or instrumentality) to reject, repudiate, disavow or disaffirm any contracts or agreements made by such Person.

“**Benchmark Replacement**” means the sum of: (a) the alternate benchmark rate (which may be a SOFR-Based Rate) that has been selected by [the Administrative](#)

Agent and the Borrower giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body and/or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to the LIBO Rate for U.S. dollar-denominated syndicated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement; provided further that any such Benchmark Replacement shall be administratively feasible as determined by the Administrative Agent in its sole discretion.

“Benchmark Replacement Adjustment” means 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 (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the LIBO Rate with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body and/or (ii) 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 the LIBO Rate with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities at such time (for the avoidance of doubt, such Benchmark Replacement Adjustment shall not be in the form of a reduction to the Applicable Rate).

“Benchmark Replacement Conforming Changes” means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of “Prime Rate,” the definition of “Interest Period,” timing and frequency of determining rates and making payments of interest and other administrative matters) that the Administrative Agent decides in its reasonable discretion may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent decides that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement).

“Benchmark Replacement Date” means the earlier to occur of the following events with respect to the LIBO Rate:

(1) in the case of clause (1) or (2) of the definition of “Benchmark Transition Event,” the later of (a) the date of the public statement or publication of information referenced therein and (b) the date on which the administrator of the LIBO Screen Rate permanently or indefinitely ceases to provide the LIBO Screen Rate; or

(2) in the case of clause (3) of the definition of “Benchmark Transition Event,” the date of the public statement or publication of information referenced therein.

“Benchmark Transition Event” means the occurrence of one or more of the following events with respect to the LIBO Rate:

(1) a public statement or publication of information by or on behalf of the administrator of the LIBO Screen Rate announcing that such administrator has ceased or will cease to provide the LIBO Screen Rate, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBO Screen Rate;

(2) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBO Screen Rate, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for the LIBO Screen Rate, a resolution authority with jurisdiction over the administrator for the LIBO Screen Rate or a court or an entity with similar insolvency or resolution authority over the administrator for the LIBO Screen Rate, in each case which states that the administrator of the LIBO Screen Rate has ceased or will cease to provide the LIBO Screen Rate permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the LIBO Screen Rate; and/or

(3) a public statement or publication of information by the regulatory supervisor for the administrator of the LIBO Screen Rate announcing that the LIBO Screen Rate is no longer representative.

“Benchmark Transition Start Date” means (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by the Administrative Agent or the Required Lenders, as applicable, by notice to the Borrower, the Administrative Agent (in the case of such notice by the Required Lenders) and the Lenders.

“Benchmark Unavailability Period” means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the LIBO Rate and solely to the extent that the LIBO Rate has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced the LIBO Rate for all purposes hereunder in accordance with Section 2.12 and (y) ending at the time that a Benchmark Replacement has replaced the LIBO Rate for all purposes hereunder pursuant to Section 2.12.

“Beneficial Owner” has the meaning assigned to such term in Rule 13d-3 and Rule 13d-5 under the Exchange Act, except that in calculating the beneficial ownership of any

particular “person” (as that term is used in Section 13(d)(3) of the Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms “Beneficially Owns” and “Beneficially Owned” have a corresponding meaning.

“**Beneficial Ownership Certification**” means a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

“**Beneficial Ownership Regulation**” means 31 C.F.R. § 1010.230.

“**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.”

“**Board of Directors**” means, with respect to any Person, (a) in the case of any corporation, the board of directors of such Person or any committee thereof duly authorized to act on behalf of such board, (b) in the case of any limited liability company, the board of managers of such Person, (c) in the case of any partnership, the board of directors or board of managers of the general partner of such Person and (d) in any other case, the functional equivalent of the foregoing.

“**Board of Governors**” means the Board of Governors of the Federal Reserve System of the United States of America.

“**Borrower**” has the meaning assigned to such term in the preamble. It is understood that following the Acquisition Term Loan Assumption, Virtu shall be the sole Borrower.

“**Borrower Assignment and Assumption**” means an assignment and assumption agreement substantially in the form of Exhibit A-2, or any other form reasonably approved by the Administrative Agent.

“**Borrower Materials**” has the meaning assigned to such term in Section 5.01.

“**Borrower Offer of Specified Discount Prepayment**” means the offer by the Borrower to make a voluntary prepayment of Term Loans at a specified discount to par pursuant to Section 2.09(a)(ii)(B).

“**Borrower Solicitation of Discount Range Prepayment Offers**” means the solicitation by the Borrower of offers for, and the corresponding acceptance by a Term Lender of, a voluntary prepayment of Term Loans at a specified range at a discount to par pursuant to Section 2.09(a)(ii)(C).

“**Borrower Solicitation of Discounted Prepayment Offers**” means the solicitation by the Borrower of offers for, and the subsequent acceptance, if any, by a Term Lender of, a voluntary prepayment of Term Loans at a discount to par pursuant to Section 2.09(a)(ii)(D).

“**Borrowing**” means (i) Loans of the same Class and Type, made, converted or continued on the same date and, in the case of Eurodollar Loans, as to which a single Interest Period is in effect, or (ii) a Swingline Loan.

“**Borrowing Request**” means a request by the Borrower for a Borrowing in accordance with Section 2.03.

“**Broker-Dealer Subsidiary**” means any Restricted Subsidiary that is registered as (a) a broker or a dealer pursuant to Section 15 of the Exchange Act or (b) a broker or a dealer or an underwriter under any foreign securities law.

“**Business Day**” means any day other than a Saturday, Sunday or day on which banks in New York City are authorized or required by law to close; *provided, however*, that when used in connection with a Eurodollar Loan or an ABR Loan based on the LIBO Rate, the term “**Business Day**” shall also exclude any day on which banks are not open for dealings in dollar deposits in the London interbank market.

“**Capital Lease Obligations**” of any Person means the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases or finance leases on a balance sheet of such Person under GAAP, and the amount of such obligations shall be the capitalized amount thereof determined in accordance with GAAP. For purposes of Section 6.02, a Capital Lease Obligation shall be deemed to be secured by a Lien on the property being leased and such property shall be deemed to be owned by the lessee.

“**Capitalized Leases**” means all leases that have been or should be, in accordance with GAAP, recorded as capitalized leases or finance leases; *provided* that for all purposes hereunder the amount of obligations under any Capitalized Lease shall be the amount thereof accounted for as a liability in accordance with GAAP.

“**Capitalized Software Expenditures**” means, for any period, the aggregate of all expenditures (whether paid in cash or accrued as liabilities) by Holdings and its Restricted Subsidiaries during such period in respect of purchased software or internally developed software and software enhancements that, in conformity with GAAP, are or are required to be reflected as capitalized costs on the consolidated balance sheet of Holdings and the Restricted Subsidiaries.

“**Cash Management Obligations**” means obligations of Holdings, any Intermediate Parent, the Borrower or any Restricted Subsidiary in respect of any overdraft and related liabilities arising from treasury, depository and cash management services or any automated clearing house transfers of funds.

“**Casualty Event**” means any event that gives rise to the receipt by Holdings, any Intermediate Parent, the Borrower or any Restricted Subsidiary of Holdings of any insurance proceeds or condemnation awards in respect of any equipment, fixed assets or real property (including any improvements thereon) to replace or repair such equipment, fixed assets or real property.

“Change in Control” means the occurrence of any of the following: (a) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of Holdings and its Subsidiaries taken as a whole to any “person” or “group” (as each such term is used in Section 13(d) of the Exchange Act) other than Holdings, one or more of its Restricted Subsidiaries, or one or more Permitted Holders; (b) the adoption of a plan relating to the liquidation or dissolution of Holdings; (c) the consummation of any transaction (including, without limitation, any merger or consolidation), the result of which is that any “person” or “group” (each as defined above) other than one or more Permitted Holders is or becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of Holdings, measured by voting power rather than number of shares, units or the like; (d) the failure of either VFI or Holdings, directly or indirectly through Wholly Owned Subsidiaries, to own all of the Equity Interests of the Borrower; or (e) the occurrence of a “Change of Control” (or similar event, however denominated), as defined in the documentation governing the Second Lien Notes or any Material Indebtedness that is Permitted First Priority Refinancing Debt, Permitted Junior Lien Refinancing Debt, Permitted Unsecured Refinancing Debt, Incremental Equivalent Debt or Junior Financing.

“Change in Law” means: (a) the adoption of any rule, regulation, treaty or other law after the Closing Date, (b) any change in any rule, regulation, treaty or other law or in the administration, interpretation or application thereof by any Governmental Authority or Regulatory Supervising Organization after the Closing Date or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) of any Governmental Authority or Regulatory Supervising Organization made or issued after the Closing Date.

“Class” when used in reference to (a) any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are Revolving Loans, Other Revolving Loans, Initial Term Loans, Other Term Loans, Incremental Term Loans (other than in the form of additional Initial Term Loans), loans under an Incremental Revolving Facility or Swingline Loans, (b) any Commitment, refers to whether such Commitment is a Revolving Commitment, Other Revolving Commitment, Term Commitment, Other Term Commitment, Incremental Term Commitment or commitment in respect of an Incremental Revolving Facility and (c) any Lender, refers to whether such Lender has a Loan or Commitment with respect to a particular Class of Loans or Commitments. Other Term Commitments, Incremental Term Commitments, commitment in respect of an Incremental Revolving Facility (other than commitments in respect of increases to existing Revolving Commitments), Other Term Loans, Incremental Term Loans (other than Incremental Term Loans in the form of Initial Term Loans), Other Revolving Commitments (and the Other Revolving Loans made pursuant thereto), loans under an Incremental Revolving Facility and Incremental Term Facilities that have different terms and conditions shall be construed to be in different Classes.

“Closing Date” means March 1, 2019.

“Closing Date Refinancings” means the ITG Refinancing and the Existing Credit Agreement Refinancing.

“Code” means the Internal Revenue Code of 1986, as amended from time to time.

“**Collateral**” means any and all assets, whether real or personal, tangible or intangible, on which Liens are purported to be granted pursuant to the Security Documents as security for the Secured Obligations.

“**Collateral Agreement**” means the Collateral Agreement, dated as of March 1, 2019, among the Borrower, each other Loan Party and the Administrative Agent, initially substantially in the form of Exhibit D.

“**Collateral and Guarantee Requirement**” means, at any time, the requirement that:

(a) the Administrative Agent shall have received from (i) Holdings, any Intermediate Parent, the Borrower and each of Holdings’ other Restricted Subsidiaries (other than any Foreign Subsidiary, any Regulated Subsidiary, any Excluded Subsidiary or any Excluded Domestic Subsidiary) either (x) a counterpart of the Guarantee Agreement duly executed and delivered on behalf of such Person or (y) in the case of any Person that becomes a Loan Party after the Closing Date (including by ceasing to be an Excluded Subsidiary, an Immaterial Subsidiary, a Foreign Subsidiary, a Regulated Subsidiary or an Excluded Domestic Subsidiary), a supplement to the Guarantee Agreement, in the form specified therein, duly executed and delivered on behalf of such Person and (ii) Holdings, any Intermediate Parent, the Borrower and each Subsidiary Loan Party either (x) a counterpart of the Collateral Agreement duly executed and delivered on behalf of such Person or (y) in the case of any Person that becomes a Loan Party after the Closing Date (including by ceasing to be an Excluded Subsidiary, an Immaterial Subsidiary, a Foreign Subsidiary, a Regulated Subsidiary or an Excluded Domestic Subsidiary), a supplement to the Collateral Agreement, in the form specified therein, duly executed and delivered on behalf of such Person, in each case under this clause (a) together with, in the case of any such Loan Documents executed and delivered after the Closing Date, documents and opinions of the type referred to in Sections 4.01(b) and 4.01(c));

(b) all outstanding Equity Interests of any Intermediate Parent, the Borrower and each Restricted Subsidiary (other than any Equity Interests constituting Excluded Assets) owned by or on behalf of any Loan Party, shall have been pledged pursuant to the Collateral Agreement, and the Administrative Agent shall have received certificates or other instruments representing all such Equity Interests (if any), together with undated stock powers or other instruments of transfer with respect thereto endorsed in blank; *provided* that with respect to the Equity Interests of any Regulated Subsidiary, such instruments shall be subject to customary enforcement limitations, including regulatory approvals at the time of enforcement;

(c) if any Indebtedness for borrowed money (including in respect of cash management arrangements) of Holdings, any Intermediate Parent, the Borrower or any Subsidiary in a principal amount of \$5,000,000 or more is owing by such obligor to any Loan Party, such Indebtedness shall be evidenced by a promissory note that shall have been pledged pursuant to the Collateral Agreement, and the Administrative Agent shall have received all such promissory notes, together with undated instruments of transfer with respect thereto endorsed in blank;

(d) all certificates, agreements, documents and instruments, including Uniform Commercial Code financing statements, required by the Security Documents or Requirements of Law and reasonably requested by the Administrative Agent to be filed, delivered, registered or recorded to create the Liens intended to be created by the Security Documents and perfect such Liens to the extent required by, and with the priority required by, the Security Documents and the other provisions of the term “Collateral and Guarantee Requirement,” shall have been filed, registered or recorded or delivered to the Administrative Agent for filing, registration or recording; and

(e) within 90 days after a request therefor by the Administrative Agent in accordance with Section 5.12(b), the Administrative Agent shall have received (i) counterparts of a Mortgage with respect to each Mortgaged Property duly executed and delivered by the record owner of such Mortgaged Property, (ii) a policy or policies of title insurance insuring the Lien of each such Mortgage as a first priority Lien on the Mortgaged Property described therein, (w) issued by a nationally recognized title insurance company, (x) free of any other Liens except as expressly permitted by Section 6.02, (y) together with such endorsements, coinsurance and reinsurance as the Administrative Agent may reasonably request and which are available at commercially reasonable rates in the jurisdiction where the applicable Mortgaged Property is located, and (z) in an amount reasonably satisfactory to the Administrative Agent but in no event exceeding One Hundred Ten Percent (110%) of the value of such property, (iii) a completed “Life of Loan” Federal Emergency Management Agency flood hazard determination with respect to such Mortgaged Property, and if any Mortgaged Property is located in an area determined by the Federal Emergency Management Agency to have special flood hazards, (y) a notice about special flood hazard area status and flood disaster assistance duly executed by the record owner of such Mortgaged Property, and (z) evidence of such flood insurance as may be required under applicable law, including Regulation H of the Board of Governors and (iv) such legal opinions as the Administrative Agent may reasonably request with respect to any such Mortgage or Mortgaged Property.

Notwithstanding the foregoing provisions of this definition or anything in this Agreement or any other Loan Document to the contrary, (i) the foregoing provisions of this definition shall not require the creation or perfection of pledges of or security interests in, or the obtaining of title insurance, legal opinions or other deliverables with respect to, particular assets of the Loan Parties, or the provision of Guarantees by any Subsidiary, if, and for so long as the Administrative Agent and the Borrower reasonably agree in writing that the cost of creating or perfecting such pledges or security interests in such assets, or obtaining such title insurance, legal opinions or other deliverables in respect of such assets, or providing such Guarantees (taking into account any adverse tax consequences to Holdings and its Affiliates (including the imposition of withholding or other material taxes)), shall be excessive in view of the benefits to be obtained by the Lenders therefrom, (ii) Liens required to be granted from time to time pursuant to the term “Collateral and Guarantee Requirement” shall be subject to exceptions and limitations set forth in the Security Documents as in effect on the Closing Date, (iii) in no event shall control agreements or other control or similar arrangements be required with respect to deposit accounts, securities accounts, commodities accounts, letter of credit rights or other assets requiring perfection by control (but not, for the avoidance of doubt, possession), (iv) in no event shall any Loan Party be required to complete any filings or other action with respect to the perfection or creation of security interests in any jurisdiction outside of the United States (or otherwise enter into any security

agreements, mortgages or pledge agreements governed by the laws of any jurisdiction outside of the United States), (v) in no event shall the Collateral include any Excluded Assets, (vi) in no event shall landlord lien waivers, estoppels and collateral access letters be required and (vii) none of Virtu GW Comm LLC, Virtu Japan PTS Holdings LLC, Geodesic Networks, LLC, GETCO Investments, LLC, GETCO Strategic Investments, LLC or GETCO Trading, LLC shall be required to become a Guarantor until such time as it would no longer be required to be registered as an “investment company” under the Investment Company Act of 1940, as amended, and the rules and the regulations of the SEC thereunder, as a result of being a Guarantor (unless such Subsidiary would otherwise be excluded pursuant to clause (i) above or the definition of “Excluded Subsidiary”). The Administrative Agent may grant extensions of time for the creation and perfection of security interests in or the obtaining of title insurance, legal opinions or other deliverables with respect to particular assets or the provision of any Guarantee by any Subsidiary (including extensions beyond the Closing Date or in connection with assets acquired, or Subsidiaries formed or acquired, after the Closing Date) where it determines that such action cannot be accomplished without undue effort or expense by the time or times at which it would otherwise be required to be accomplished by this Agreement or the Security Documents (or the Guarantee Agreement, to the extent applicable).

“**Commitment**” means (a) with respect to any Lender, its Revolving Commitment, Other Revolving Commitment, Term Commitment, Other Term Commitment or commitment in respect of any Incremental Term Facility or Incremental Revolving Facility, in each case of any Class, or any combination thereof (as the context requires) and (b) with respect to any Swingline Lender, its Swingline Commitment.

“**Commitment Fee Rate**” means, for any day, the applicable percentage set forth below under the caption “Commitment Fee Percentage” based upon the First Lien Leverage Ratio as of the end of the fiscal quarter of Holdings for which consolidated financial statements have theretofore been most recently delivered pursuant to Section 5.01(a) or 5.01(b); *provided* that, until the date of the delivery of the consolidated financial statements pursuant to Section 5.01(a) or (b), as applicable, as of and for the fiscal quarter ended June 30, 2019, the Commitment Fee Percentage shall be based on the rates per annum set forth in Category 1:

First Lien Leverage Ratio	Commitment Fee Percentage
Category 1 Greater than 1.30 to 1.00	0.500%
Category 2 Less than or equal to 1.30 to 1.00 and greater than 0.80 to 1.00	0.375%
Category 3 Less than or equal to 0.80 to 1.00	0.250%

For purposes of the foregoing, each change in the Commitment Fee Percentage resulting from a change in the First Lien Leverage Ratio shall be effective during the period commencing on and including the Business Day following the date of delivery to the Administrative Agent pursuant to Section 5.01(a) or 5.01(b) of the consolidated financial statements and related Compliance Certificate indicating such change in the First Lien Leverage Ratio and ending on the date immediately preceding the effective date of the next such change. Notwithstanding the foregoing, the Commitment Fee Percentage, at the option of the Administrative Agent or the Required Revolving Lenders, commencing upon written notice to the Borrower, shall be based on the rates per annum set forth in Category 1 if the Borrower fails to deliver the consolidated financial statements required to be delivered pursuant to Section 5.01(a) or 5.01(b) or any Compliance Certificate required to be delivered pursuant hereto, in each case, within the time periods specified herein for such delivery, during the period commencing on and including the day of the occurrence of a Default resulting from such failure and until the delivery thereof.

“Company Income Amount” means, for a Tax Estimation Period, an amount, if positive, equal to the estimated net taxable income of Holdings for such Tax Estimation Period. For purposes of calculating the Company Income Amount, items of income, gain, loss and deduction resulting from adjustments to the tax basis of Holdings’ assets pursuant to Code Section 743(b) and adjustments pursuant to Code Section 704(c) shall not be taken into account.

“Competitor” means any Person (a)(i) engaged in trading financial assets through the use of an electronically automated trading system that generates order sets (which, for purposes of clarity, can consist of a single order) with the intention of (x) creating profit by providing two-sided liquidity to the market, (y) making a profit margin consistent with the business of making the bid-offer spread or less per unit of the financial asset(s) being traded (including by providing either one-sided or two sided liquidity to the market) or (z) creating simultaneous (within 500 milliseconds) order sets that are generated with the intention of locking in an arbitrage profit, (ii) engaging in algorithmic transactions (*i.e.*, buying, selling, trading, or engaging in any other similar transaction where orders are determined by an automated model and placed on an automated basis) or customer facilitating transactions in any way involving any electronically tradeable product or commodity (including any security (equity or debt), derivatives, fixed income, cash, currency, or other financial instruments, or any other tangible or intangible item) through any exchange, electronic trading venue or platform, whether or not using proprietary trading methods or systems or (iii) engaging in the business of offering execution management software, multi-asset connectivity services for order routing or indications of interest, or trading and portfolio analytics, and (b) identified as a “Potential Competitor” on Part (B) of Schedule 1.01(a); *provided* that any such Person shall be deemed not to be a Competitor if the Loans or commitments in respect thereof will be held by or booked to any division or other identifiable unit or desk of such Person that, in the ordinary course of its business, holds commitments or extends credit of the type contemplated by this Agreement. Notwithstanding anything in this Agreement to the contrary, each Loan Party and the Lenders acknowledge and agree that the Administrative Agent will not have any responsibility or obligation to determine whether any Lender or potential Lender is a Competitor.

“Compliance Certificate” means a certificate in the form of Exhibit S required to be delivered pursuant to Section 5.01(d).

“Compounded SOFR” means the compounded average of SOFRs for the applicable Corresponding Tenor, with the rate, or methodology for this rate, and conventions for this rate (which may include compounding in arrears with a lookback and/or suspension period as a mechanism to determine the interest amount payable prior to the end of each Interest Period) being established by the Administrative Agent in accordance with:

(1) the rate, or methodology for this rate, and conventions for this rate selected or recommended by the Relevant Governmental Body for determining compounded SOFR; provided that:

(2) if, and to the extent that, the Administrative Agent determines that Compounded SOFR cannot be determined in accordance with clause (1) above, then the rate, or methodology for this rate, and conventions for this rate that the Administrative Agent determines in its reasonable discretion are substantially consistent with any evolving or then-prevailing market convention for determining compounded SOFR for U.S. dollar-denominated syndicated credit facilities at such time;

provided, further, that if the Administrative Agent decides that any such rate, methodology or convention determined in accordance with clause (1) or clause (2) is not administratively feasible for the Administrative Agent, then Compounded SOFR will be deemed unable to be determined for purposes of the definition of “Benchmark Replacement.”

“Consolidated EBITDA” means, for any period, the Consolidated Net Income for such period, plus:

(a) without duplication and to the extent already deducted (and not added back or excluded) in arriving at such Consolidated Net Income, the sum of the following amounts for such period:

(i) total interest expense and, to the extent not reflected in such total interest expense, any losses on hedging obligations or other derivative instruments entered into for the purpose of hedging interest rate risk (other than in the ordinary course of the trading business of Holdings and its Restricted Subsidiaries), net of interest income and gains on such hedging obligations or such derivative instruments, and bank and letter of credit fees and costs of surety bonds in connection with financing activities;

(ii) without duplication among periods, provision for taxes based on income, profits or capital, including federal, foreign, state, franchise, excise and similar taxes paid or accrued during such period (including in respect of repatriated funds);

(iii) depreciation and amortization (including amortization of Capitalized Software Expenditures and amortization of deferred financing fees or costs);

(iv) Non-Cash Charges;

(v) extraordinary losses in accordance with GAAP;

(vi) non-recurring charges (including any unusual or non-recurring operating expenses directly attributable to the implementation of cost savings initiatives), severance, relocation costs, integration and facilities' opening costs, signing costs, retention or completion bonuses (other than bonuses paid in the ordinary course of business of Holdings and its Restricted Subsidiaries), transition costs, costs related to closure/consolidation of facilities and curtailments or modifications to pension and post-retirement employee benefit plans (including any settlement of pension liabilities);

(vii) restructuring charges, accruals or reserves (including restructuring costs related to acquisitions after the Closing Date and adjustments to existing reserves); *provided* that the aggregate amount included in Consolidated EBITDA pursuant to this clause (vii) for any Test Period shall not exceed 10% of Consolidated EBITDA for such Test Period (calculated prior to giving effect to any adjustment pursuant to this clause (vii));

(viii) the amount of any minority interest expense consisting of subsidiary income attributable to minority equity interests of third parties in any Non-Wholly Owned Subsidiary of Holdings deducted (and not added back in such period to Consolidated Net Income);

(ix) the amount of expenses relating to payments made to option holders of Holdings or any of its direct or indirect parent companies in connection with, or as a result of, any distribution being made to shareholders of such Person or its direct or indirect parent companies, which payments are being made to compensate such option holders as though they were shareholders at the time of, and entitled to share in, such distribution, in each case to the extent permitted by the Loan Documents;

(x) losses on asset sales, disposals or abandonments (other than asset sales, disposals or abandonments in the ordinary course of business);

(xi) the amount of any net losses from discontinued operations in accordance with GAAP;

(xii) any non-cash loss attributable to the mark to market movement in the valuation of hedging obligations or other derivative instruments (to the extent the cash impact resulting from such loss has not been realized) (other than those entered into in the ordinary course of the trading business of the Borrower and its Restricted Subsidiaries) pursuant to Financial Accounting Standards Accounting Standards Codification No. 815–Derivatives and Hedging;

(xiii) any loss relating to amounts paid in cash prior to the stated settlement date of any hedging obligation (other than any hedging obligation entered into in the ordinary course of the trading business of Holdings and its Restricted Subsidiaries) that has been reflected in Consolidated Net Income for such period;

(xiv) any gain relating to hedging obligations (other than any hedging obligations entered into in the ordinary course of the trading business of Holdings and its Restricted Subsidiaries) associated with transactions realized in the current period that has been reflected in Consolidated Net Income in prior periods and excluded from Consolidated EBITDA pursuant to clauses (b)(v) and (b)(vi) below; and

(xv) any expenses or charges related to any issuance of Equity Interests, Investment, acquisition, Disposition, recapitalization or the incurrence, modification or repayment of Indebtedness permitted to be incurred by this Agreement (including a refinancing thereof) (whether or not successful), in each case, outside the ordinary course of business, including (x) such fees, expenses or charges related to this Agreement and (y) any amendment or other modification of the Loans or other obligations under the Loan Documents or other Indebtedness; *provided* that the amount added back pursuant to this clause (xv) in any Test Period shall not exceed \$15,000,000;

less

(b) without duplication and to the extent included in arriving at such Consolidated Net Income, the sum of the following amounts for such period:

(i) extraordinary gains and unusual or non-recurring gains;

(ii) non-cash gains (excluding any non-cash gain to the extent it represents the reversal of an accrual or reserve for a potential cash item that reduced Consolidated Net Income or Consolidated EBITDA in any prior period);

(iii) gains on asset sales, disposals or abandonments (other than asset sales, disposals or abandonments in the ordinary course of business);

(iv) the amount of any net income from discontinued operations in accordance with GAAP;

(v) any non-cash gain attributable to the mark to market movement in the valuation of hedging obligations or other derivative instruments (to the extent the cash impact resulting from such gain has not been realized) (other than any hedging obligations or other derivative instruments entered into in the ordinary course of the trading business of Holdings and its Restricted Subsidiaries) pursuant to Financial Accounting Standards Accounting Standards Codification No. 815–Derivatives and Hedging;

(vi) any gain relating to amounts received in cash prior to the stated settlement date of any hedging obligation (other than any hedging obligation entered into in the ordinary course of the trading business of Holdings and its Restricted Subsidiaries) that has been reflected in Consolidated Net Income for such period;

(vii) any loss relating to hedging obligations (other than any hedging obligations entered into in the ordinary course of the trading business of Holdings and its Restricted Subsidiaries) associated with transactions realized in the current

period that has been reflected in Consolidated Net Income in prior periods and excluded from Consolidated EBITDA pursuant to clauses (a)(xiii) and (a)(xiv) above; and

(viii) the amount of any minority interest income consisting of subsidiary loss attributable to minority equity interests of third parties in any Non-Wholly Owned Subsidiary of Holdings added (and not deducted in such period in calculating Consolidated Net Income);

in each case, as determined on a consolidated basis for Holdings and the Restricted Subsidiaries in accordance with GAAP; *provided that*,

(I) to the extent included in Consolidated Net Income, there shall be excluded in determining Consolidated EBITDA currency translation gains and losses related to currency remeasurements of Indebtedness (including the net loss or gain resulting from hedging agreements for currency exchange risk and revaluations of intercompany balances), other than any gains or losses related to foreign currency trading and hedging in the ordinary course of the trading business of Holdings and its Restricted Subsidiaries,

(II) to the extent included in Consolidated Net Income, there shall be excluded in determining Consolidated EBITDA for any period any adjustments resulting from the application of Financial Accounting Standards Accounting Standards Codification No. 815–Derivatives and Hedging (other than with respect to any hedging obligations entered into in the ordinary course of the trading business of Holdings and its Restricted Subsidiaries),

(III) to the extent not included in Consolidated Net Income, there shall be included in determining Consolidated EBITDA for any period, without duplication, (A) the Acquired EBITDA of any Person, property, business or asset acquired by Holdings or any Restricted Subsidiary during such period (other than any Unrestricted Subsidiary) to the extent not subsequently sold, transferred or otherwise disposed of (but not including the Acquired EBITDA of any related Person, property, business or assets to the extent not so acquired) (each such Person, property, business or asset acquired, including pursuant to a transaction consummated prior to the Closing Date, and not subsequently so disposed of, an “**Acquired Entity or Business**”), and the Acquired EBITDA of any Unrestricted Subsidiary that is converted into a Restricted Subsidiary during such period (each, a “**Converted Restricted Subsidiary**”), in each case based on the Acquired EBITDA of such Pro Forma Entity for such period (including the portion thereof occurring prior to such acquisition or conversion) determined on a historical Pro Forma Basis and (B) an adjustment in respect of each Pro Forma Entity equal to the amount of the Pro Forma Adjustment with respect to such Pro Forma Entity for such period (including the portion thereof occurring prior to such acquisition or conversion) as specified in a certificate from a Financial Officer delivered to the Administrative Agent (for further delivery to the Lenders); and

(IV) there shall be (A) to the extent included in Consolidated Net Income, excluded in determining Consolidated EBITDA for any period the Disposed

EBITDA of any Person, property, business or asset (other than any Unrestricted Subsidiary) sold, transferred or otherwise disposed of, closed or classified as discontinued operations by Holdings or any Restricted Subsidiary during such period (each such Person, property, business or asset so sold, transferred or otherwise disposed of, closed or classified, a “**Sold Entity or Business**”), and the Disposed EBITDA of any Restricted Subsidiary that is converted into an Unrestricted Subsidiary during such period (each, a “**Converted Unrestricted Subsidiary**”), in each case based on the Disposed EBITDA of such Sold Entity or Business or Converted Unrestricted Subsidiary for such period (including the portion thereof occurring prior to such sale, transfer, disposition, closure, classification or conversion) determined on a historical pro forma basis and (B) to the extent not included in Consolidated Net Income, included in determining Consolidated EBITDA for any period in which a Sold Entity or Business is disposed or Converted Unrestricted Subsidiary is converted, an adjustment equal to the Pro Forma Disposal Adjustment with respect to such Sold Entity or Business or Converted Unrestricted Subsidiary (including the portion thereof occurring prior to such disposal or conversion) as specified in a certificate from a Financial Officer delivered to the Administrative Agent (for further delivery to the Lenders).

“**Consolidated First Lien Debt**” means, as of any date of determination, the aggregate amount of Consolidated Total Debt outstanding on such date, without duplication (x) constituting the Loan Document Obligations that are secured by a first priority Lien on the Collateral or (y) that is secured on a *pari passu* basis with the Initial Term Loans by a first priority Lien on the Collateral.

“**Consolidated First Lien Net Debt**” means, as of any date of determination, (a) the amount of Consolidated First Lien Debt as of such date, less (b) all unrestricted cash and Permitted Investments on the balance sheet of Holdings to the extent not subject to any Liens (other than Liens permitted under Section 6.02 but excluding any Liens permitted by Section 6.02(iii), Section 6.02(xv) and Section 6.02(xx)) and the use thereof for application to the payment of Indebtedness is not prohibited by law or contract binding on Holdings.

“**Consolidated Interest Expense**” means, for any period, the cash interest expense (including that attributable to Capitalized Leases), net of cash interest income (excluding cash interest income relating to any asset or property that secures any Trading Debt), of Holdings and the Restricted Subsidiaries, determined on a consolidated basis in accordance with GAAP, with respect to all outstanding Indebtedness of Holdings and the Restricted Subsidiaries (excluding Trading Debt), including all commissions, discounts and other fees and charges owed with respect to letters of credit and bankers’ acceptance financing and net costs under hedging agreements, but excluding, for the avoidance of doubt, (i) amortization of deferred financing costs, debt issuance costs, commissions, fees and expenses, pay-in-kind interest expense and any other amounts of non-cash interest (including as a result of the effects of acquisition method accounting), (ii) the accretion or accrual of discounted liabilities during such period, (iii) any interest in respect of items excluded from Indebtedness in the proviso to the definition thereof, (iv) non-cash interest expense attributable to the movement of the mark-to-market valuation of obligations under hedging agreements or other derivative instruments pursuant to Financial Accounting Standards Accounting Standards Codification No. 815-Derivatives and Hedging, (v) any one-time cash costs associated with breakage in respect of hedging agreements for interest rates, and (vi) all

non-recurring cash interest expense consisting of liquidated damages for failure to timely comply with registration rights obligations, all as calculated on a consolidated basis in accordance with GAAP.

“Consolidated Net Income” means, for any period, the net income (loss) of Holdings and the Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, excluding, without duplication, (a) extraordinary items for such period, (b) the cumulative effect of a change in accounting principles during such period to the extent included in Consolidated Net Income, (c) [reserved], (d) any fees and expenses (including any transaction or retention bonus) incurred during such period, or any amortization thereof for such period, in connection with any acquisition, Investment, asset disposition, issuance or repayment of debt, issuance of equity securities, refinancing transaction or amendment or other modification of any debt instrument (in each case, including any such transaction consummated prior to the Closing Date and any such transaction undertaken but not completed) and any charges or non-recurring merger costs incurred during such period as a result of any such transaction, (e) any income (loss) for such period attributable to the early extinguishment of Indebtedness, hedging agreements or other derivative instruments (other than any income (loss) attributable to Trading Debt or hedging agreements or other derivative instruments entered into in the ordinary course of the trading business of Holdings and its Restricted Subsidiaries), (f) accruals and reserves that are established or adjusted as a result of the Transactions in accordance with GAAP (including any adjustment of estimated payouts on existing earn-outs) or changes as a result of the adoption or modification of accounting policies during such period, (g) non-cash stock-based award compensation expenses and (h) any income (loss) attributable to deferred compensation plans or trusts, (i) any income (loss) from Investments recorded using the equity method. There shall be excluded from Consolidated Net Income for any period the effects from applying acquisition method accounting, including applying acquisition method accounting to inventory, property and equipment, leases, software and other intangible assets and deferred revenue (including deferred costs related thereto and deferred rent) required or permitted by GAAP and related authoritative pronouncements (including the effects of such adjustments pushed down to Holdings and the Restricted Subsidiaries), as a result of any acquisition consummated prior to the Closing Date, the Acquisition and any Permitted Acquisition or the amortization or write-off of any amounts thereof.

In addition, to the extent not already included in Consolidated Net Income, Consolidated Net Income shall include (i) the amount of proceeds received or due from business interruption insurance or reimbursement of expenses and charges that are covered by indemnification and other reimbursement provisions in connection with any acquisition or other Investment or any disposition of any asset permitted hereunder and (ii) income from Investments in joint ventures in an amount equal to the greater of (A) the proportionate share of the Borrower or the applicable Restricted Subsidiary in the income of such joint venture and (B) the amount of actual distributions made by such joint venture to the Borrower or the applicable Restricted Subsidiary.

“Consolidated Total Debt” means, as of any date of determination, the aggregate amount of Indebtedness of Holdings and the Restricted Subsidiaries outstanding on such date, determined on a consolidated basis in accordance with GAAP (but excluding the effects of any discounting of Indebtedness resulting from the application of acquisition method accounting in connection with the Acquisition or any Permitted Acquisition or other

Investment permitted hereunder) consisting only of Indebtedness for borrowed money, unreimbursed obligations under letters of credit, obligations in respect of Capitalized Leases and debt obligations evidenced by promissory notes or similar instruments (and excluding, in any event, all Trading Debt).

“**Control**” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies, or the dismissal or appointment of the management, of a Person, whether through the ability to exercise voting power, by contract or otherwise. “**Controlling**” and “**Controlled**” have meanings correlative thereto.

“**Converted Restricted Subsidiary**” has the meaning given such term in the definition of “Consolidated EBITDA.”

“**Converted Unrestricted Subsidiary**” has the meaning given such term in the definition of “Consolidated EBITDA.”

“**Corresponding Tenor**” with respect to a Benchmark Replacement means a tenor (including overnight) having approximately the same length (disregarding business day adjustment) as the applicable tenor for the applicable Interest Period with respect to the LIBO Rate.

“**Credit Agreement Refinancing Indebtedness**” means (a) Permitted First Priority Refinancing Debt, (b) Permitted Junior Lien Refinancing Debt, (c) Permitted Unsecured Refinancing Debt or (d) Indebtedness incurred or Other Revolving Commitments obtained pursuant to a Refinancing Amendment, in each case, issued, incurred or otherwise obtained (including by means of the extension or renewal of existing Indebtedness) in exchange for, or to extend, renew, replace or refinance, in whole or part, existing Term Loans, outstanding Revolving Loans or (in the case of Other Revolving Commitments obtained pursuant to a Refinancing Amendment) Revolving Commitments, outstanding loans under any Incremental Revolving Facility or undrawn commitments under any Incremental Revolving Facility (“**Refinanced Debt**”); *provided* that (i) such extending, renewing, replacing or refinancing Indebtedness (including, if such Indebtedness includes any Other Revolving Commitments, the unused portion of such Other Revolving Commitments) is in an original aggregate principal amount not greater than the sum of the aggregate principal amount of the Refinanced Debt (and, in the case of Refinanced Debt consisting, in whole or in part, of unused commitments under any Incremental Revolving Facility or Other Revolving Commitments, the amount thereof) plus all accrued and unpaid interest and fees thereon and expenses incurred in connection with such extension, renewal, replacement or refinancing, (ii) such Indebtedness has a maturity that is equal to or later than and, except in the case of Other Revolving Commitments, a Weighted Average Life to Maturity equal to or greater than the Refinanced Debt, and (iii) such Refinanced Debt shall be repaid, defeased or satisfied and discharged, and all accrued interest, fees and premiums (if any) in connection therewith shall be paid, on the date such Credit Agreement Refinancing Indebtedness is issued, incurred or obtained; *provided* that to the extent that such Refinanced Debt consists, in whole or in part, of commitments under any Incremental Revolving Facility or Other Revolving Commitments (or loans incurred pursuant to any Incremental Revolving Facility or Other Revolving Loans), such commitments shall be terminated, and all accrued fees in connection therewith shall be paid, on the date such Credit Agreement Refinancing Indebtedness is issued, incurred or obtained.

“**Credit Party**” means the Administrative Agent, the Issuing Bank, the Swingline Lender or any other Lender.

“**Cumulative Credit**” means at any time, an amount equal to:

- (a) the greater of \$190,000,000 and 25% of Consolidated EBITDA for the most recently ended Test Period; *plus*
- (b) 50% of Consolidated Net Income (or 100% of losses) for the period (taken as a single period) commencing with the fiscal quarter ended December 31, 2019 and ending on and including the last day of the most recently ended Test Period for which for which (A) with respect to any of the first three fiscal quarters in a given fiscal year, the Borrower has delivered financial statements pursuant to Section 5.01(b) or (B) with respect to the fourth fiscal quarter of any fiscal year, the Borrower has delivered financial statements pursuant to Section 5.01(a); *plus*
- (c) the aggregate amount of the Net Proceeds of the issuance or sale by Holdings of Qualified Equity Interests (other than to the Borrower or any of its Restricted Subsidiaries) that is contributed to the Borrower or any of its Restricted Subsidiaries after the Closing Date (other than Cure Amounts and the Net Proceeds of any such issuance made pursuant to Section 6.04(p)); *plus*
- (d) the aggregate amount of cash and the fair market value of assets contributed to the Borrower after the Closing Date (other than Cure Amount or any contribution from a Restricted Subsidiary); *plus*
- (e) the aggregate amount of Indebtedness of the Borrower and its Restricted Subsidiaries converted to or exchanged for Qualified Equity Interests of the Borrower (*provided* that in the case of an exchange, the applicable Indebtedness is promptly cancelled); *plus*
- (f) to the extent actually received by the Borrower or any Restricted Subsidiary, an amount equal to (i) any returns (including dividends, interest, distributions, returns of principal, repayments, income and similar amounts and cancellations of guarantees or otherwise) in cash or other property (valued at the fair market value thereof as reasonably determined by the Borrower), in respect of, and (ii) cash or other property (valued at the fair market value thereof as reasonably determined by the Borrower) for the Disposition of, any Investments made pursuant to Section 6.04(n)(ii); *plus*
- (g) in the event any Unrestricted Subsidiary has been re-designated as a Restricted Subsidiary or merged, consolidated or amalgamated with or into, or transferred or conveyed all or substantially all of its assets to, or is liquidated into, the Borrower or any Restricted Subsidiary, an amount equal to the lesser of (i) the fair market value of the Investments of the Borrower and its Restricted Subsidiaries made pursuant to Section 6.04(n)(ii) in such Unrestricted Subsidiary at the time of such re-designation, combination, transfer or liquidation and (ii) the amount originally invested by the Borrower and its Restricted Subsidiaries in such Unrestricted Subsidiary pursuant to Section 6.04(n)(ii); *plus*

(h) an amount equal to Retained Declined Proceeds, *minus*

(i) the aggregate amount of Investments (net of amounts received in respect of such Investments, whether as principal, interest, dividends, repayments, cancellations of guarantees or otherwise) made prior to such time pursuant to Section 6.04(n)(ii), Restricted Payments made prior to such time pursuant to paragraph Section 6.08(a)(viii) (or loans or advances made in lieu thereof pursuant to Section 6.04(k) or Indebtedness incurred using the Available RP Capacity Amount in lieu thereof) and payments in respect of any Junior Financing made prior to such time pursuant to Section 6.08(b)(iv); *minus*

(j) payments pursuant to Section 6.08(a)(iii) (but not in excess of the amount which would reduce the Cumulative Credit to below \$0).

“**Cure Amount**” has the meaning assigned to such term in Section 7.02(a).

“**Cure Deadline**” has the meaning assigned to such term in Section 7.02(a).

“**Cure Notice**” has the meaning assigned to such term in Section 7.02(a).

“**Cure Right**” has the meaning assigned to such term in Section 7.02(a).

“**Debtor Relief Laws**” means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“**Default**” means any event or condition that constitutes an Event of Default or that upon notice, lapse of time or both would, unless cured or waived, become an Event of Default.

“**Defaulting Lender**” means any Revolving Lender that (a) has failed, within one Business Day of the date required to be funded or paid, to (i) fund any portion of its Revolving Loans, (ii) fund any portion of its participations in Letters of Credit or Swingline Loans or (iii) pay over to any Credit Party any other amount required to be paid by it hereunder, unless, in the case of clause (i) above, such Lender notifies the Administrative Agent in writing that such failure is the result of such Lender’s good faith determination that a condition precedent to funding a loan under this Agreement (specifically identified and including the particular default, if any) has not been satisfied, (b) has notified the Borrower or any Credit Party in writing, or has made a public statement to the effect, that it does not intend or expect to comply with any of its funding obligations under this Agreement (unless such writing or public statement indicates that such position is based on such Lender’s good faith determination that a condition precedent (specifically identified and including the particular default, if any) to funding a loan under this Agreement cannot be satisfied) or generally under agreements in which it commits to extend credit, (c) has failed, within three Business Days after request by the Administrative Agent or the Borrower, acting in good faith, to provide a certification in writing from an authorized officer of such Lender that it will comply with its obligations (and is financially able to meet such obligations) to fund prospective Revolving Loans and participations in then outstanding Letters of Credit or

Swingline Loans under this Agreement; *provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon the Administrative Agent's or the Borrower's receipt, as applicable, of such certification in form and substance satisfactory to it and the Administrative Agent, or (d) has, or has a Lender Parent that has, (i) become the subject of a Bankruptcy Event or (ii) become subject to a Bail-In Action. Any determination by the Administrative Agent made in writing to the Borrower and each Lender 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.

"Designated Non-Cash Consideration" means the fair market value of non-cash consideration received by Holdings, any Intermediate Parent, the Borrower or a Subsidiary in connection with a Disposition pursuant to Section 6.05(k) that is designated as Designated Non-Cash Consideration pursuant to a certificate of a Responsible Officer of Holdings, setting forth the basis of such valuation (which amount will be reduced by the fair market value of the portion of the non-cash consideration converted to cash within 180 days following the consummation of the applicable Disposition).

"Designation Date" has the meaning assigned to such term in Section 5.13.

"Discount Prepayment Accepting Lender" has the meaning assigned to such term in Section 2.09(a)(ii)(B)(2).

"Discount Range" has the meaning assigned to such term in Section 2.09(a)(ii)(C)(1).

"Discount Range Prepayment Amount" has the meaning assigned to such term in Section 2.09(a)(ii)(C)(1).

"Discount Range Prepayment Notice" means a written notice of a Borrower Solicitation of Discount Range Prepayment Offers made pursuant to Section 2.09(a)(ii)(C) substantially in the form of Exhibit K.

"Discount Range Prepayment Offer" means the irrevocable written offer by a Term Lender, substantially in the form of Exhibit L, submitted in response to an invitation to submit offers following the Auction Agent's receipt of a Discount Range Prepayment Notice.

"Discount Range Prepayment Response Date" has the meaning assigned to such term in Section 2.09(a)(ii)(C)(1).

"Discount Range Proration" has the meaning assigned to such term in Section 2.09(a)(ii)(C).

"Discounted Prepayment Determination Date" has the meaning assigned to such term in Section 2.09(a)(ii)(D)(3).

"Discounted Prepayment Effective Date" means in the case of a Borrower Offer of Specified Discount Prepayment, Borrower Solicitation of Discount Range Prepayment Offer or Borrower Solicitation of Discounted Prepayment Offer, five (5) Business Days following the receipt by each relevant Term Lender of notice from the Auction Agent in

accordance with Section 2.09(a)(ii)(B), Section 2.09(a)(ii)(C) or Section 2.09(a)(ii)(D), as applicable unless a shorter period is agreed to between the Borrower and the Auction Agent.

“Discounted Term Loan Prepayment” has the meaning assigned to such term in Section 2.09(a)(ii)(A).

“Disposed EBITDA” means, with respect to any Sold Entity or Business or Converted Unrestricted Subsidiary for any period, the amount for such period of Consolidated EBITDA of such Sold Entity or Business or Converted Unrestricted Subsidiary (determined as if references to Holdings and the Restricted Subsidiaries in the definition of the term “Consolidated EBITDA” (and in the component financial definitions used therein) were references to such Sold Entity or Business and its subsidiaries or to such Converted Unrestricted Subsidiary and its subsidiaries), all as determined on a consolidated basis for such Sold Entity or Business or Converted Unrestricted Subsidiary.

“Disposition” has the meaning assigned to such term in Section 6.05.

“Disqualified Equity Interest” means, with respect to any Person, any Equity Interest in such Person that by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable, either mandatorily or at the option of the holder thereof), or upon the happening of any event or condition:

(a) matures or is mandatorily redeemable (other than solely for Equity Interests in such Person or in VFI that do not constitute Disqualified Equity Interests and cash in lieu of fractional shares of such Equity Interests), whether pursuant to a sinking fund obligation or otherwise;

(b) is convertible or exchangeable, either mandatorily or at the option of the holder thereof, for Indebtedness or Equity Interests (other than solely for Equity Interests in such Person or in VFI that do not constitute Disqualified Equity Interests and cash in lieu of fractional shares of such Equity Interests);

(c) provides for the scheduled payments of dividends in cash; or

(d) is redeemable (other than solely for Equity Interests in such Person or in VFI that do not constitute Disqualified Equity Interests and cash in lieu of fractional shares of such Equity Interests) or is required to be repurchased by such Person or VFI or any of its Affiliates, in whole or in part, at the option of the holder thereof;

in each case, on or prior to the date 91 days after the Latest Maturity Date; *provided, however*, that (i) an Equity Interest in any Person that would not constitute a Disqualified Equity Interest but for terms thereof giving holders thereof the right to require such Person to redeem or purchase such Equity Interest upon the occurrence of an “asset sale” or a “change of control” shall not constitute a Disqualified Equity Interest if any such requirement becomes operative only after repayment in full of all the Loans and all other Loan Document Obligations that are accrued and payable, the cancellation or expiration of all Letters of Credit and the termination of the Commitments and (ii) if an Equity Interest in any Person is issued pursuant to any plan for the benefit of employees of Holdings (or any direct or indirect parent thereof) or any of its subsidiaries or by any such plan to such employees,

such Equity Interest shall not constitute a Disqualified Equity Interest solely because it may be required to be repurchased by Holdings (or any direct or indirect parent company thereof) or any of its subsidiaries in order to satisfy applicable statutory or regulatory obligations of such Person.

“Disqualified Lender” means each Person identified as a “Disqualified Lender” on Part A of Schedule 1.01(a), which Schedule may be provided to any Lender or prospective Lender upon request. Notwithstanding anything in this Agreement to the contrary, each Loan Party and the Lenders acknowledge and agree that the Administrative Agent will not have any responsibility or obligation to determine whether any Lender or potential Lender is a Disqualified Lender and the Administrative Agent will not have any liability with respect to any assignment made to a Disqualified Lender.

“dollars” or **“\$”** refers to lawful money of the United States of America.

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

“Early Opt-in Election” means the occurrence of:

(1) (i) a determination by the Administrative Agent or (ii) a notification by the Required Lenders to the Administrative Agent (with a copy to the Borrower) that the Required Lenders have determined that U.S. dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 2.12 are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace the LIBO Rate, and

(2) (i) the election by the Administrative Agent or (ii) the election by the Required Lenders to declare that an Early Opt-in Election has occurred and the provision, as applicable, by the Administrative Agent of written notice of such election to the Borrower and the Lenders or by the Required Lenders of written notice of such election to the Administrative Agent.

“ECF Percentage” means, with respect to any prepayment required by Section 2.09(c) with respect to any fiscal quarter (or other applicable period) of the Borrower, if the First Lien Leverage Ratio (prior to giving effect to the applicable prepayment pursuant to Section 2.09(c)) as of the end of such fiscal quarter (or other applicable period) is (a) greater than 1.30 to 1.00, 50% of Excess Cash Flow for such period, (b) equal to or less than 1.30 to 1.00 but greater than 0.80 to 1.00, 25% of Excess Cash Flow for such period and (c) equal to or less than 0.80 to 1.00, 0% of Excess Cash Flow for such period.

“EEA Financial Institution” means (a) any institution 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 institution established in an EEA Member Country which is a subsidiary of an institution described in clause (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 EEA Financial Institution.

~~**“ECF Percentage”** means, with respect to any prepayment required by Section 2.09(c) with respect to any fiscal quarter (or other applicable period) of the Borrower, if the First Lien Leverage Ratio (prior to giving effect to the applicable prepayment pursuant to Section 2.09(c)) as of the end of such fiscal quarter (or other applicable period) is (a) greater than 1.30 to 1.00, 50% of Excess Cash Flow for such period, (b) equal to or less than 1.30 to 1.00 but greater than 0.80 to 1.00, 25% of Excess Cash Flow for such period and (c) equal to or less than 0.80 to 1.00, 0% of Excess Cash Flow for such period.~~

“Eligible Assignee” means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund and (d) any other Person (other than Holdings, any Intermediate Parent, the Borrower or any of their subsidiaries, any VV Holder, any Affiliate of Vincent Viola (including any trust established for the benefit of his spouse or children) or any Disqualified Lender), other than, in each case, a natural person.

“Employee Holding Vehicles” means, collectively, Virtu Employee Holdco LLC, a Delaware limited liability company, Virtu East MIP LLC, a Delaware limited liability company, and any other similar entity, the equityholders of which are current and former officers, directors and employees of Holdings (or any direct or indirect parent thereof), the Borrower and the Restricted Subsidiaries, or their permitted transferees (or their respective estates, executors, trustees, administrators, heirs, legatees or distributees), which entity is formed to hold Equity Interests of Holdings (or any of Holdings’ direct or indirect parent companies) on behalf of such officers, directors and employees.

“Environmental Laws” means all applicable treaties, rules, regulations, codes, ordinances, judgments, orders, decrees, Governmental Approvals and other applicable Requirements of Law, and all applicable injunctions or binding agreements issued, promulgated or entered into by or with any Governmental Authority, in each instance relating to the protection of the environment, to preservation or reclamation of natural resources, to Release or threatened Release of any Hazardous Material or to the extent relating to exposure to Hazardous Materials, to health or safety matters.

“Environmental Liability” means any liability, obligation, loss, claim, action, order or cost, contingent or otherwise (including any liability for damages, costs of medical monitoring, costs of environmental remediation or restoration, administrative oversight costs, consultants’ fees, fines, penalties and indemnities), of Holdings, any Intermediate Parent, the Borrower or any Subsidiary directly or indirectly resulting from or based upon (a) any actual or alleged violation of any Environmental Law or permit, license or approval issued thereunder, (b) Environmental Laws and the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the Release or threatened Release of any Hazardous Materials or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Equity Interests” means shares of capital stock, partnership interests, membership interests in a limited liability company, beneficial interests in a trust or other equity ownership interests in a Person.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder.

“ERISA Affiliate” means any trade or business (whether or not incorporated) that, together with the Borrower or any Subsidiary, is treated as a single employer under Section 414(b) or 414(c) of the Code or, solely for purposes of Section 302 of ERISA and Section 412 of the Code, is treated as a single employer under Section 414 of the Code.

“ERISA Event” means (a) any “reportable event,” as defined in Section 4043 of ERISA or the regulations issued thereunder with respect to a Plan (other than an event for which the 30 day notice period is waived); (b) any failure by any Plan to satisfy the minimum funding standard (within the meaning of Section 412 of the Code or Section 302 of ERISA) applicable to such Plan, in each case whether or not waived; (c) the filing pursuant to Section 412(c) of the Code or Section 302(c) of ERISA of an application for a waiver of the minimum funding standard with respect to any Plan; (d) a determination that any Plan is, or is expected to be, in “at-risk” status (as defined in Section 303(i)(4) of ERISA or Section 430(i)(4) of the Code); (e) the incurrence by the Borrower or any ERISA Affiliate of any liability under Title IV of ERISA with respect to the termination of any Plan; (f) the receipt by the Borrower or any ERISA Affiliate from the PBGC or a plan administrator of any notice relating to an intention to terminate any Plan or Plans or to appoint a trustee to administer any Plan; (g) the incurrence by the Borrower or any ERISA Affiliate of any liability with respect to the withdrawal or partial withdrawal (including under Section 4062(e) of ERISA) from any Plan or Multiemployer Plan; or (h) the receipt by the Borrower or any ERISA Affiliate of any notice, or the receipt by any Multiemployer Plan from the Borrower or any ERISA Affiliate of any notice, concerning the imposition of Withdrawal Liability or a determination that a Multiemployer Plan is, or is expected to be, insolvent or in reorganization, within the meaning of Title IV of ERISA or in endangered or critical status, within the meaning of Section 305 of ERISA.

“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.

“Eurodollar” when used in reference to any Loan or Borrowing, refers to whether such Loan, or the Loans comprising such Borrowing, are bearing interest at a rate determined by reference to the Adjusted LIBO Rate.

“Event of Default” has the meaning assigned to such term in Section 7.01.

“Excess Cash Flow” means, for any period, an amount equal to the excess of:

- (a) the sum, without duplication, of:
 - (i) Consolidated Net Income for such period,

(ii) an amount equal to the amount of all Non-Cash Charges (including in respect of depreciation and amortization) to the extent deducted in arriving at such Consolidated Net Income,

(iii) an amount equal to the aggregate net non-cash loss on dispositions by Holdings and the Restricted Subsidiaries during such period (other than dispositions in the ordinary course of business) to the extent deducted in arriving at such Consolidated Net Income;

(iv) the amount of tax expenses deducted in determining Consolidated Net Income for such period to the extent they exceed the amount of cash taxes paid in such period; and

(v) extraordinary cash gains during such period;

over

(b) the sum, without duplication, of:

(i) an amount equal to the amount of all non-cash credits included in arriving at such Consolidated Net Income (including any amounts included in Consolidated Net Income pursuant to the last sentence of the definition of "Consolidated Net Income" to the extent such amounts are due but not received during such period) and cash charges included in clauses (a) through (i) of the definition of "Consolidated Net Income" to the extent financed with internally generated funds of Holdings and the Restricted Subsidiaries,

(ii) without duplication of amounts deducted pursuant to clause (x) below in prior fiscal periods, the amount of capital expenditures made in cash during such period to the extent financed with internally generated funds of Holdings and the Restricted Subsidiaries (other than asset sale proceeds, casualty proceeds, condemnation proceeds or other funds that would not be included in Consolidated Net Income),

(iii) the aggregate amount of all principal payments of Indebtedness (other than the payment prior to its stated maturity of (x) any Indebtedness that is subordinated in right of payment to the Loan Document Obligations, (y) any Indebtedness that is secured by a junior Lien on the Collateral and (z) unsecured Indebtedness of the Borrower and its Restricted Subsidiaries) of the Borrower and the Restricted Subsidiaries (including (A) the principal component of payments in respect of Capitalized Leases and (B) the amount of any mandatory prepayment of Term Loans pursuant to Section 2.09(b) with the Net Proceeds from an event of the type specified in clause (a) of the definition of "Prepayment Event" to the extent required due to a disposition that resulted in an increase to Consolidated Net Income and not in excess of the amount of such increase but excluding (X) all other prepayments of Term Loans, (Y) all prepayments of revolving loans (including any Revolving Loans and Swingline Loans) and any Trading Debt unless accompanied by a permanent reduction of commitments or termination of a credit line in respect of such revolving loans or such Trading Debt and (Z) the Closing Date Refinancings) made during such period, to the extent financed with internally generated funds of

Holdings and the Restricted Subsidiaries (it being agreed that any amount not permitted to be deducted pursuant to this clause (b)(iii) may not be deducted pursuant to any other provision of this clause (b)),

(iv) an amount equal to the aggregate net non-cash gain on dispositions by Holdings and the Restricted Subsidiaries during such period (other than dispositions in the ordinary course of business) to the extent included in arriving at such Consolidated Net Income,

(v) cash payments by Holdings and the Restricted Subsidiaries during such period in respect of long-term liabilities of Holdings and the Restricted Subsidiaries other than Indebtedness and that were made with internally generated funds of Holdings and the Restricted Subsidiaries, to the extent that such payments were not expensed in arriving at such Consolidated Net Income,

(vi) without duplication of amounts deducted pursuant to clause (x) below in prior fiscal periods, the amount of Investments and acquisitions made in cash during such period pursuant to Section 6.04 (other than (1) to the extent made pursuant to Section 6.04(a) and (2) any Investment by Holdings or any Restricted Subsidiary in Holdings or any Restricted Subsidiary) to the extent that such Investments and acquisitions were financed with internally generated funds of Holdings and the Restricted Subsidiaries and were not expensed in arriving at such Consolidated Net Income,

(vii) the amount of dividends, distributions and other restricted payments paid in cash during such period by the Borrower pursuant to Section 6.08 (including any permitted quarterly tax distribution) to the extent such payments were financed with internally generated funds of Holdings and the Restricted Subsidiaries,

(viii) the aggregate amount of expenditures actually made by Holdings and the Restricted Subsidiaries in cash during such period (including expenditures for the payment of financing fees) to the extent that such expenditures are not expensed during such period and were financed with internally generated funds of Holdings and the Restricted Subsidiaries,

(ix) the aggregate amount of any premium, make-whole or penalty payments actually paid in cash by Holdings and the Restricted Subsidiaries during such period that are required to be made in connection with any prepayment of Indebtedness to the extent that such payments are not expensed during such period or any previous period and were financed with internally generated funds of Holdings and the Restricted Subsidiaries,

(x) without duplication of amounts deducted from Excess Cash Flow in prior periods, the aggregate consideration required to be paid in cash by Holdings or any of the Restricted Subsidiaries pursuant to binding contracts (which may include, among other things, letters of intent or purchase orders) (the “**Contract Consideration**”) entered into prior to or during such period relating to Permitted Acquisitions, other Investments or capital expenditures (including Capitalized Software Expenditures or other purchases of intellectual property but excluding any

contracts where the counterparty is Holdings or any of the Restricted Subsidiaries) to be consummated or made during the period of four consecutive fiscal quarters of Holdings following the end of such period, *provided* that to the extent the aggregate amount of internally generated funds actually utilized to finance such Permitted Acquisitions, Investments or capital expenditures during such period of four consecutive fiscal quarters is less than the Contract Consideration, the amount of such shortfall shall be added to the calculation of Excess Cash Flow at the earliest to occur of the (A) abandonment of such planned expenditure, (B) making of such planned expenditure and (C) end of such period of four consecutive fiscal quarters,

(xi) the amount of cash taxes paid in such period to the extent they exceed the amount of tax expense deducted in determining Consolidated Net Income for such period, and

(xii) extraordinary cash losses for such period.

“**Exchange Act**” means the United States Securities Exchange Act of 1934, as amended from time to time.

“**Excluded Assets**” means (a) any fee-owned real property with a fair market value of less than \$5,000,000 and all leasehold interests in real property, (b) motor vehicles and other assets subject to certificates of title or ownership (but only to the extent that a security interest in any such asset cannot be perfected by filing of a financing statement), (c) any commercial tort claims or letter of credit rights having a value of less than \$5,000,000 (but only to the extent that a security interest in any such asset cannot be perfected by filing of a financing statement), (d) Equity Interests in any Person (other than the Borrower or any Wholly Owned Restricted Subsidiaries) to the extent not permitted by the terms of such Person’s organizational or joint venture documents, (e) voting Equity Interests constituting an amount greater than 65% of the voting Equity Interests of any Foreign Subsidiary, (f) any lease, license or other agreement with any Person if, to the extent and for so long as the grant of a Lien thereon to secure the Secured Obligations constitutes a breach of or a default under, or creates an enforceable right of termination in favor of any party (other than Holdings or any Restricted Subsidiary) to, such lease, license or other agreement (but only to the extent any of the foregoing is not rendered ineffective by, or is otherwise unenforceable under, the Uniform Commercial Code or any Requirements of Law), (g) any asset subject to a Lien of the type permitted by Section 6.02(iv) (whether or not incurred pursuant to such Section) or a Lien permitted by Section 6.02(xi) or Section 6.02(xx), in each case if, to the extent and for so long as the grant of a Lien thereon to secure the Secured Obligations constitutes a breach of or a default under, or creates a right of termination in favor of any party (other than Holdings or any Restricted Subsidiary) to, any agreement pursuant to which such Lien has been created (but only to the extent any of the foregoing is not rendered ineffective by, or is otherwise unenforceable under, the Uniform Commercial Code or any Requirements of Law), (h) any intent-to-use trademark applications filed in the United States Patent and Trademark Office, (i) any asset with respect to which Holdings with the written consent of the Administrative Agent (not to be unreasonably withheld or delayed) shall have provided to the Administrative Agent a certificate of a Financial Officer to the effect that, based on the advice of outside counsel or tax advisors of national recognition, the grant of a Lien thereon to secure the Secured Obligations would result in adverse tax consequences (including as a result of the operation of Section 956 of the Code or any similar law or

regulation in any applicable jurisdiction) to Holdings and its Restricted Subsidiaries (other than on account of any Taxes payable in connection with filings, recordings, registrations, stampings and any similar acts in connection with the creation or perfection of Liens) that shall have been reasonably determined by Holdings to be material to Holdings and its Restricted Subsidiaries, (j) any asset if, to the extent and for so long as the grant of a Lien thereon to secure the Secured Obligations is prohibited by any Requirements of Law (other than to the extent that any such prohibition would be rendered ineffective pursuant to the Uniform Commercial Code or any other applicable Requirements of Law) and (i) any cash and cash equivalents only to the extent, and for so long as, such cash and cash equivalents are subject to a Lien permitted by Section 6.02(xv)(y).

“Excluded Domestic Subsidiary” means: (i) any direct or indirect Domestic Subsidiary of a direct or indirect Foreign Subsidiary of the Borrower that is a “controlled foreign corporation” within the meaning of Section 957 of the Code (a “CFC”) and (ii) any direct or indirect U.S. subsidiary of the Borrower that has no material assets other than equity of one or more direct or indirect non-U.S. subsidiaries that are CFCs.

“Excluded Subsidiary” means (a) any Subsidiary that is not a Wholly Owned Subsidiary of Holdings on the Closing Date (or, if later, the date it first becomes a Subsidiary), (b) any Subsidiary that is prohibited by any contractual obligation existing on the Closing Date (or, if later, the date it first becomes a Subsidiary, so long as such prohibition was not incurred in connection with or in contemplation of the acquisition of such Subsidiary), from guaranteeing the Secured Obligations, (c) any Subsidiary that is prohibited by any Requirement of Law from guaranteeing the Secured Obligations or that would require the consent, approval, license or authorization of any Governmental Authority or any Regulatory Supervising Organization to guarantee the Secured Obligations (unless such consent, approval, license or authorization has been received), (d) any Subsidiary to the extent such Subsidiary guaranteeing the Secured Obligations would result in a material adverse tax consequence to the Borrower and its Subsidiaries (including as a result of the operation of Section 956 of the Code or any similar law or regulation in any applicable jurisdiction) as reasonably determined by the Borrower with the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) and (e) any other Subsidiary excused from becoming a Loan Party pursuant to the last paragraph of the definition of the term “Collateral and Guarantee Requirement.”

“Excluded Taxes” means, with respect to the Administrative Agent, any Lender, any Issuing Bank or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder or under any other Loan Document, (a) Taxes imposed on (or measured by) its net income (however denominated) and franchise Taxes imposed on it (in lieu of net income Taxes) by (i) the jurisdiction under the laws of which such recipient is organized or in which its principal office is located or, in the case of any Lender, in which its applicable lending office is located, or (ii) any other jurisdiction as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than a connection arising solely from such recipient having executed, delivered, or become a party to, performed its obligations or received payments under, received or perfected a security interest under, sold or assigned an interest in, engaged in any other transaction pursuant to, or enforced, any Loan Documents), (b) any branch profits Tax imposed by the United States of America or any similar Tax imposed by any other jurisdiction described in clause (a) above, (c) any withholding Tax that is attributable to a

Lender's failure to comply with Section 2.15(e), (d) except in the case of an assignee or lending office pursuant to a request by the Borrower under Section 2.17, any U.S. federal withholding Taxes imposed due to a Requirement of Law in effect at the time a Lender becomes a party hereto (or designates a new lending office), except to the extent that such Lender (or its assignor, if any) was entitled, at the time of designation of a new lending office (or assignment), to receive additional amounts with respect to such withholding Tax under Section 2.15(a) and (e) any withholding Taxes imposed under FATCA.

"Existing Credit Agreement" means that certain Fourth Amended and Restated Credit Agreement, dated as of June 30, 2017 (as amended, modified or supplemented prior to the Closing Date), among Holdings, the Refinancing Borrower, the lenders party thereto and JPMorgan Chase Bank, N.A., as administrative agent and collateral agent.

"Existing Credit Agreement Refinancing" means the repayment of all the existing Indebtedness outstanding under the Existing Credit Agreement and the termination of all guarantees and releases of all security interests with respect thereto.

"Existing Yen Bonds" means the Borrower's Japanese Yen Bonds issued on July 25, 2016 in the aggregate principal amount of JPY 3,500,000,000 in favor of SBI Life Insurance Co., Ltd. and SBI Insurance Col., Ltd., and guaranteed by Holdings.

"Extension Notice" has the meaning assigned to such term in Section 2.19(b).

"Facility" means any series of Loans.

"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 and any agreements entered into pursuant to Section 1471(b)(1) of the Code, as of the date of this Agreement (or any amended or successor version described above), and any intergovernmental agreement, treaty or convention among Governmental Authorities (and any related fiscal or regulatory legislation, rules or official practices) implementing the foregoing.

"Federal Funds Effective Rate" means, for any day, the rate calculated by the NYFRB based on such day's federal funds transactions by depository institutions, as determined in such manner as ~~the NYFRB~~ shall ~~be~~ set forth on ~~its public website~~ the Federal Reserve Bank of New York's Website from time to time, as published on the next succeeding Business Day by the NYFRB as the federal funds effective rate; *provided, however*, that notwithstanding the foregoing, the Federal Funds Effective Rate will be deemed to be 0.00% per annum if the Federal Funds Effective Rate determined pursuant to this definition would otherwise be less than 0.00% per annum.

"Federal Reserve Bank of New York's Website" means the website of the NYFRB at <http://www.newyorkfed.org>, or any successor source.

"Fee Letter" means that certain Fee Letter, dated November 6, 2018, by and among the Jefferies Finance LLC, Royal Bank of Canada, RBC Capital Markets, VFI, Virtu and Impala Borrower.

“**Financial Officer**” means the chief financial officer, chief operating officer, principal accounting officer, treasurer or controller of Holdings.

“**Financial Performance Covenant**” means the covenant set forth in Section 6.12.

“**Financial Performance Covenant Test Period**” means any Test Period (commencing with the Test Period ending on the last day of the first full fiscal quarter occurring after the Closing Date) on the last day of which the aggregate Revolving Exposure (excluding the aggregate undrawn amount of any outstanding Letters of Credit in an amount not to exceed \$5,000,000 and any Letters of Credit that have been cash collateralized pursuant to the terms of this Agreement) is greater than 35% of the aggregate Revolving Commitments then in effect.

“**Financing Transactions**” means the execution, delivery and performance by each Loan Party of the Loan Documents to which it is to be a party, the borrowing of Loans hereunder and the use of the proceeds thereof.

“First Lien Incurrence Ratio” has the meaning assigned to such term in the definition of “Incremental Cap.”

“**First Lien Intercreditor Agreement**” means the First Lien Intercreditor Agreement substantially in the form of Exhibit F-1 among the Administrative Agent and one or more Senior Representatives for holders of Permitted First Priority Refinancing Debt and any secured Indebtedness (to the extent permitted to be secured by Liens of Collateral on a *pari passu* basis with the Initial Term Loans or Initial Revolving Loans) incurred pursuant to Section 6.01(a)(viii) or 6.01(a)(ix) or Incremental Equivalent Debt incurred pursuant to Section 6.01(a)(xxii), with such modifications thereto as the Administrative Agent may reasonably agree.

~~“**First Lien Incurrence Ratio**” has the meaning assigned to such term in the definition of “Incremental Cap.”~~

“**First Lien Leverage Ratio**” means, on any date, the ratio of (a) Consolidated First Lien Debt as of such date to (b) Consolidated EBITDA for the Test Period most recently ended.

“**Fixed Charge Coverage Incurrence Ratio**” has the meaning assigned to such term in the definition of “Incremental Cap.”

“**Fixed Charge Coverage Ratio**” means, on any date, the ratio of (a) Consolidated EBITDA for the Test Period most recently ended to (b) Fixed Charges for such Test Period.

“**Fixed Charges**” means, for any period, the sum without duplication, of the following for such period:

(a) the Consolidated Interest Expense for such period, plus

(b) the sum of all dividends, whether paid or accrued and whether or not in cash, on any series of preferred stock of Holdings, the Borrower or any Restricted Subsidiary (other than dividends payable solely in Equity Interests of Holdings (other than Disqualified

Equity Interests) or to Holdings, the Borrower or any Restricted Subsidiary made during such period.

“**Flow-Through Entity**” has the meaning assigned to such term in Section 6.08(a)(vi).

“**Foreign Subsidiary**” means any Subsidiary that is organized under the laws of a jurisdiction other than the United States of America, any State thereof or the District of Columbia.

“**GAAP**” means generally accepted accounting principles in the United States of America, as in effect from time to time but subject to Section 1.04.

“**Governmental Approvals**” means all authorizations, consents, approvals, permits, licenses and exemptions of, registrations and filings with, and reports to, Governmental Authorities or Regulatory Supervising Organizations.

“**Governmental Authority**” means the government of the United States of America or any other nation, or 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).

“**Guarantee**” of or by any Person (the “**Guarantor**” or “**guarantor**”) means any obligation, contingent or otherwise, of the guarantor guaranteeing or having the economic effect of guaranteeing any Indebtedness of any other Person (the “**primary obligor**”) in any manner, whether directly or indirectly, and including any obligation of the guarantor, direct or indirect, (a) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or to purchase (or to advance or supply funds for the purchase of) any security for the payment thereof, (b) to purchase or lease property, securities or services for the purpose of assuring the owner of such Indebtedness of the payment thereof, (c) to maintain working capital, equity capital or any other financial statement condition or liquidity of the primary obligor so as to enable the primary obligor to pay such Indebtedness or (d) as an account party in respect of any letter of credit or letter of guaranty issued to support such Indebtedness; *provided* that the term “Guarantee” shall not include endorsements for collection or deposit in the ordinary course of business or customary and reasonable indemnity obligations in effect on the Closing Date or entered into in connection with any acquisition or disposition of assets permitted under this Agreement (other than such obligations with respect to Indebtedness). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined in good faith by a Financial Officer. The term “Guarantee” as a verb has a corresponding meaning.

“**Guarantee Agreement**” means the Master Guarantee Agreement, dated as of March 1, 2019, among the Loan Parties and the Administrative Agent, substantially in the form of Exhibit B.

“**Hazardous Materials**” means all explosive, radioactive, hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum by-products or distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated as hazardous or toxic, or any other term of similar import, pursuant to any Environmental Law.

“**Holdings**” has the meaning given to such term in the preamble hereto.

“**Holdings LLC Agreement**” means the Limited Liability Company Agreement of Holdings pursuant to which the members of Holdings hold limited liability interests of Holdings, together with all exhibits and schedules thereto, as in effect as of the Closing Date.

“**Identified Participating Lenders**” has the meaning assigned to such term in Section 2.09(a)(ii)(C).

“**Identified Qualifying Lenders**” has the meaning specified in Section 2.09(a)(ii)(D).

“**Immaterial Subsidiary**” means any Subsidiary other than a Material Subsidiary.

“**Impacted Interest Period**” has the meaning assigned to such term in the definition of “LIBO Rate.”

“**Impala Borrower**” has the meaning assigned to such term in the preamble.

“**Incremental Cap**” means, at any time, an aggregate principal amount not to exceed the sum of (a) the excess of (i) the greater of \$600,000,000 and 80% of Consolidated EBITDA for the most recently ended Test Period for which financial statements are available (as of the date of establishment or incurrence of the applicable Incremental Facility or Incremental Equivalent Debt (or, at the option of the Borrower, as of the date of establishment of the commitments in respect thereof)), over (ii) the aggregate amount of Incremental Facilities established and Incremental Equivalent Debt incurred, in each case, after the Closing Date and prior to such time utilizing this clause (a), *plus* (b) an additional amount so long as, in the case of this clause (b), on the date of incurrence thereof (or, at the option of the Borrower, on the date of establishment of the commitments in respect thereof), after giving effect to the incurrence of such Indebtedness and the use of the proceeds thereof (assuming, in the case of testing at time establishment of Commitments, that the committed amounts are fully drawn) (i) if such Incremental Facility or Incremental Equivalent Debt is secured by Liens on the Collateral on a *pari passu* basis with the Liens on the Collateral securing the Initial Term Loans, either (A) the First Lien Leverage Ratio calculated on a Pro Forma Basis as of the end of the most recent Test Period for which financial statements are available does not exceed 1.80:1.00 (the “**First Lien Incurrence Ratio**”) or (B) in the case of any Incremental Facility or Incremental Equivalent Debt incurred in connection with a Permitted Acquisition or any other Investment permitted under Section 6.04 or New Project not prohibited hereunder (“**Acquisition Debt**”), the First Lien Leverage Ratio calculated on a Pro Forma Basis as of the end of the most recent Test Period for which financial statements are available either (x) does not exceed the First Lien Incurrence Ratio or (y) is not greater than the First Lien Leverage Ratio immediately prior to such incurrence of Indebtedness and Permitted Acquisition, other Investment or New Project, (ii) if such Incremental Facility or Incremental

Equivalent Debt is secured by Liens on the Collateral on a junior basis to the Liens on the Collateral securing the Initial Term Loans, either (A) the Secured Leverage Ratio calculated on a Pro Forma Basis as of the end of the most recent Test Period for which financial statements are available does not exceed 2.50:1.00 (the “**Secured Leverage Incurrence Ratio**”) or (B) in the case of any Incremental Facility or Incremental Equivalent Debt that is Acquisition Debt, the Secured Leverage Ratio calculated on a Pro Forma Basis as of the end of the most recent Test Period for which financial statements are available either (x) does not exceed the Secured Leverage Incurrence Ratio or (y) is not greater than the Secured Leverage Ratio immediately prior to such incurrence of Indebtedness and Permitted Acquisition, other Investment or New Project, and (iii) if such Incremental Facility or Incremental Equivalent Debt is unsecured, either (A) (x) the Fixed Charge Coverage Ratio calculated on a Pro Forma Basis as of the end of the most recent Test Period for which financial statements are available would be at least 2.00 to 1.00 (the “**Fixed Charge Coverage Incurrence Ratio**”) or (y) the Total Leverage Ratio calculated on a Pro Forma Basis as of the end of the most recent Test Period for which financial statements are available does not exceed 2.50:1.00 (the “**Total Leverage Incurrence Ratio**”) or (B) in the case of any Incremental Facility or Incremental Equivalent Debt that is Acquisition Debt, either (x) the Total Leverage Ratio calculated on a Pro Forma Basis as of the end of the most recent Test Period for which financial statements are available either (I) does not exceed the Total Leverage Incurrence Ratio or (II) is not greater than the Total Leverage Ratio immediately prior to such incurrence of Indebtedness and Permitted Acquisition, other Investment or New Project or (y) the Fixed Charge Coverage Ratio calculated on a Pro Forma Basis as of the end of the most recent Test Period for which financial statements are available would either (I) be not greater than the Fixed Charge Coverage Incurrence Ratio or (II) be at least equal to the Fixed Charge Coverage Ratio immediately prior to such incurrence of Indebtedness and Permitted Acquisition, other Investment or New Project (this clause (iii), the “**Unsecured Leverage Test**”), plus (c) an amount equal to the excess of (i) the aggregate amount of any voluntary prepayments of the Initial Term Loans or Term Loans incurred pursuant to clause (a) or (c) of this definition prior to such time and permanent reductions in the Revolving Commitment or Incremental Revolving Commitment incurred pursuant to clause (a) or (c) of this definition effected prior to such time, over (ii) the aggregate amount of Incremental Facilities established and Incremental Equivalent Debt incurred, in each case, after the Closing Date and prior to such time utilizing this clause (c), in each case assuming, in the case of the establishment of any Incremental Facilities constituting increases to the Revolving Facility or additional revolving credit facilities or other undrawn commitments, that such facilities were fully drawn on the date of effectiveness thereof, so long as, in the case of any such optional prepayment, such prepayment was not funded with the proceeds of any long-term Indebtedness.

When calculating any ratio for purposes of determining the “Incremental Cap” or the ability to incur any Indebtedness under Section 2.18, Section 6.01(a)(viii), Section 6.01(a)(ix) or Section 6.01(a)(xxii), Pro Forma Basis shall mean that such calculation shall be made after giving effect to the incurrence of the relevant Indebtedness and the use of proceeds thereof (assuming that the full amount of any revolving commitment being established at such time is fully drawn).

“**Incremental Equivalent Debt**” has the meaning assigned to such term in Section 6.01(a)(xxii).

“Incremental Facility” has the meaning assigned to such term in Section 2.18(a)(ii).

“Incremental Revolving Commitment” means the commitment of the Additional Revolving Lenders to make loans pursuant to an Incremental Revolving Facility in accordance with Section 2.18.

“Incremental Revolving Facility” has the meaning assigned to such term in Section 2.18(a)(i).

“Incremental Revolving Facility Amendment” has the meaning assigned to such term in Section 2.18(b)(ii).

“Incremental Revolving Facility Closing Date” has the meaning assigned to such term in Section 2.18(b)(ii).

“Incremental Term Commitment” means the commitment of the Additional Term Lenders to make Incremental Term Loans pursuant to Section 2.18.

“Incremental Term Facility” has the meaning assigned to such term in Section 2.18(a)(ii).

“Incremental Term Facility Amendment” has the meaning assigned to such term in Section 2.18(b)(iii).

“Incremental Term Facility Closing Date” has the meaning assigned to such term in Section 2.18(b)(iii).

“Incremental Term Loans” means term loans established pursuant to Section 2.18(b).

“Indebtedness” of any Person means, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments, (c) all obligations of such Person under conditional sale or other title retention agreements relating to property acquired by such Person, (d) all obligations of such Person in respect of the deferred purchase price of property or services (excluding trade accounts payable in the ordinary course of business and any earn-out obligation until such obligation becomes a liability on the balance sheet of such Person in accordance with GAAP), (e) all Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) any Lien on property owned or acquired by such Person, whether or not the Indebtedness secured thereby has been assumed, (f) all Guarantees by such Person of Indebtedness of others, (g) all Capital Lease Obligations of such Person, (h) all obligations, contingent or otherwise, of such Person as an account party in respect of letters of credit and letters of guaranty and (i) all obligations, contingent or otherwise, of such Person in respect of bankers’ acceptances; *provided* that the term “Indebtedness” shall not include (x) deferred or prepaid revenue and (y) purchase price holdbacks in respect of a portion of the purchase price of an asset to satisfy warranty or other unperformed obligations of the seller. The Indebtedness of any Person shall include the Indebtedness of any other entity (including any partnership in which such Person is a general partner) to the extent such Person is liable therefor as a result of

such Person's ownership interest in or other relationship with such entity, except to the extent the terms of such Indebtedness provide that such Person is not liable therefor. The amount of Indebtedness of any Person for purposes of clause (e) above shall (unless such Indebtedness has been assumed by such Person) be deemed to be equal to the lesser of (A) the aggregate unpaid amount of such Indebtedness and (B) the fair market value of the property encumbered thereby as determined by such Person in good faith.

"Indemnified Taxes" means 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.

"Indemnitee" has the meaning assigned to such term in Section 9.03(b).

"Information" has the meaning assigned to such term in Section 9.12.

"Information Materials" means the presentation to the Lenders dated January 11, 2019.

"Initial Additional Term B Lender" has the meaning set forth in Amendment No. 1

"Initial Term Commitment" means with respect to each Lender, (i) the aggregate commitment, if any, of such Lender to make a Refinancing Term Loan and Acquisition Term Loan hereunder on the Closing Date, expressed as an amount representing the maximum principal amount, in the aggregate, of the Refinancing Term Loan and Acquisition Term Loan to be made by such Lender hereunder, as such commitment may be reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to an Assignment and Assumption and (ii) the aggregate commitment, if any, of such Lender to make an Additional Term B Loan hereunder on the Amendment No. 1 Effective Date, expressed as an amount representing the maximum principal amount, in the aggregate, of the Additional Term B Loan to be made by such Lender hereunder, as such commitment may be reduced or increased from time to time pursuant to assignments by or to such Lender pursuant to an Assignment and Assumption. The amount of each Lender's Initial Term Commitment as of the Closing Date is set forth on Schedule 2.01. The amount of the Initial Additional Term B Lender's Additional Term B Commitment as of the Amendment No. 1 Effective Date is set forth on Schedule A to Amendment No. 1.

"Initial Term Loans" has the meaning assigned to such term in Section 2.01(a).

"Initial Revolving Loans" means Revolving Loans made pursuant to Revolving Commitments in effect as of the Closing Date.

"Insolvent" means, with respect to any Person, that (i) the fair value of assets is less than the amount that will be required to pay the total liability on existing debts as they become absolute and matured, (ii) the present fair saleable value of assets is less than the amount that will be required to pay the probable liability on existing debts as they become absolute and matured, (iii) it is unable to pay its debts or other obligations as they generally become due, (iv) it ceases to pay its current obligations in the ordinary course of business as they generally become absolute and matured, or (v) its aggregate property is not, at a fair valuation, sufficient, or if disposed of at a fairly conducted sale under legal process, would

not be, sufficient to enable payment of all obligations, due and accruing due. The term “debts” as used in this definition includes any legal liability, whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent and “values of assets” shall mean the amount of which the assets (both tangible and intangible) in their entirety would change hands between a willing buyer and a willing seller, with a commercially reasonable period of time, each having reasonable knowledge of the relevant facts, with neither being under compulsion to act.

“**Intellectual Property**” has the meaning assigned to such term in the Collateral Agreement.

“**Interest Election Request**” means a request by the Borrower to convert or continue a Borrowing in accordance with Section 2.05.

“**Interest Payment Date**” means (a) with respect to any ABR Loan (including a Swingline Loan), the last Business Day of each March, June, September and December and (b) with respect to any Eurodollar Loan, the last day of the Interest Period applicable to the Borrowing of which such Loan is a part and, in the case of a Eurodollar Borrowing with an Interest Period of more than three months’ duration, each day prior to the last day of such Interest Period that occurs at intervals of three months’ duration after the first day of such Interest Period.

“**Interest Period**” means, with respect to any Eurodollar Borrowing, the period commencing on the date such Borrowing is disbursed or converted to or continued as a Eurodollar Borrowing and ending on the date that is one, two, three or six months thereafter as selected by the Borrower in its Borrowing Request or Interest Election Request, as applicable (or, to the extent agreed to by each Lender participating therein, twelve months or such other period less than one month thereafter as the Borrower may elect); *provided* that (a) if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day, (b) any Interest Period that commences on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the last calendar month of such Interest Period) shall end on the last Business Day of the last calendar month at the end of such Interest Period, and (c) no Interest Period shall extend beyond (i) in the case of Initial Term Loans, the Term Maturity Date, and (ii) in the case of Revolving Loans, the Revolving Maturity Date (or other applicable maturity date). For purposes hereof, the date of a Borrowing initially shall be the date on which such Borrowing is made and thereafter shall be the effective date of the most recent conversion or continuation of such Borrowing.

“**Intermediate Parent**” means any Subsidiary of Holdings and of which the Borrower is a Subsidiary.

“**Interpolated Rate**” means, at any time, for any Interest Period, the rate per annum (rounded to the same number of decimal places as the LIBO Screen Rate) determined by the Administrative Agent (which determination shall be conclusive and binding absent manifest error) to be equal to the rate that results from interpolating on a linear basis between (a) the LIBO Screen Rate for the longest period for which the LIBO Screen Rate is available

that is shorter than the Impacted Interest Period and (b) the LIBO Screen Rate for the shortest period for which the LIBO Screen Rate is available that exceeds the Impacted Interest Period, in each case, at such time.

“Investment” means, as to any Person, any direct or indirect acquisition or investment by such Person, whether by means of (a) the purchase or other acquisition of Equity Interests or debt or other securities of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of Indebtedness of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person or (c) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of such Person. The amount, as of any date of determination, of (a) any Investment in the form of a loan or an advance shall be the principal amount thereof outstanding on such date, minus any cash payments actually received by such investor representing interest in respect of such Investment (to the extent any such payment to be deducted does not exceed the remaining principal amount of such Investment), but without any adjustment for write-downs or write-offs (including as a result of forgiveness of any portion thereof) with respect to such loan or advance after the date thereof, (b) any Investment in the form of a Guarantee shall be equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof, as determined in good faith by a Financial Officer, (c) any Investment in the form of a transfer of Equity Interests or other non-cash property by the investor to the investee, including any such transfer in the form of a capital contribution, shall be the fair market value (as determined in good faith by a Financial Officer) of such Equity Interests or other property as of the time of the transfer, *minus* any payments actually received by such investor representing a return of capital of, or dividends or other distributions in respect of, such Investment (to the extent such payments do not exceed, in the aggregate, the original amount of such Investment), but without any other adjustment for increases or decreases in value of, or write-ups, write-downs or write-offs with respect to, such Investment after the date of such Investment, and (d) any Investment (other than any Investment referred to in clause (a), (b) or (c) above) by the specified Person in the form of a purchase or other acquisition for value of any Equity Interests, evidences of Indebtedness or other securities of any other Person shall be the original cost of such Investment (including any Indebtedness assumed in connection therewith), *plus* (i) the cost of all additions thereto and *minus* (ii) the amount of any portion of such Investment that has been repaid to the investor in cash as a repayment of principal or a return of capital, and of any cash payments actually received by such investor representing interest, dividends or other distributions in respect of such Investment (to the extent the amounts referred to in clause (ii) do not, in the aggregate, exceed the original cost of such Investment plus the costs of additions thereto), but without any other adjustment for increases or decreases in value of, or write-ups, write-downs or write-offs with respect to, such Investment after the date of such Investment. For purposes of Section 6.04, if an Investment involves the acquisition of more than one Person, the amount of such Investment shall be allocated among the acquired Persons in accordance with GAAP; *provided* that pending the final determination of the amounts to be so allocated in accordance with GAAP, such allocation shall be as reasonably determined by a Financial Officer.

“Issuing Bank” means each of (a) (i) Jefferies Finance LLC and (ii) Royal Bank of Canada and (b) each Revolving Lender that shall have become an Issuing Bank hereunder as provided in Section 2.22(i) (other than any Person that shall have ceased to be an Issuing Bank as provided in Section 2.22(j)), in each case in its capacity as an issuer of Letters of Credit hereunder. Each reference herein to the “Issuing Bank” shall be deemed to be a reference to the relevant Issuing Bank. Each Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of such Issuing Bank, in which case the term “Issuing Bank” shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate. Jefferies Finance LLC will cause Letters of Credit to be issued by unaffiliated financial institutions and such Letters of Credit shall be treated as issued by Jefferies Finance LLC for all purposes under the Loan Documents.

“ITG” means Investment Technology Group, Inc., a Delaware corporation (to be converted to a Delaware limited liability company and renamed Virtu ITG Holdings LLC on the Closing Date immediately after the Merger and immediately prior to the Asset Contribution).

“ITG Refinancing” means the repayment in full of all outstanding amounts under that certain Credit Agreement, dated as of June 26, 2018, among ITG Inc., as borrower, ITG, as guarantor, the several banks and other financial institutions or entities from time to time party thereto, as lenders, Bank of America, N.A. and Bank of Montreal, as syndication agents, and JPMorgan Chase Bank, N.A., as administrative agent, the termination of all commitments and guarantees thereunder and the release of all security interests with respect thereto.

“Joint Venture” means any Person, other than an individual or a Wholly Owned Subsidiary of the Borrower, in which the Borrower or a Restricted Subsidiary holds or acquires an ownership interest (whether by way of capital stock, partnership or limited liability company interest, or other evidence of ownership).

“Junior Financing” means any Subordinated Indebtedness and any Permitted Refinancing in respect of any of the foregoing owing by Holdings or a Restricted Subsidiary (other than intercompany Indebtedness owing to Holdings or a Restricted Subsidiary).

“Junior Financing Prepayments” has the meaning assigned to such term in Section 6.08(b)(iv).

“Junior Lien Intercreditor Agreement” means the Junior Lien Intercreditor Agreement, dated as of July 20, 2017, among the Administrative Agent and one or more Senior Representatives for holders of Second Lien Notes, Permitted Junior Lien Refinancing Debt, any junior Lien secured Indebtedness incurred pursuant to Section 6.01(a)(viii) or Section 6.01(a)(ix) or any junior Lien secured Incremental Equivalent Debt incurred pursuant to Section 6.01(a)(xxii), executed by the Administrative Agent and the Loan Parties, with such modifications thereto (including the Junior Lien Intercreditor Joinder) as the Administrative Agent may reasonably agree. A copy of the Junior Lien Intercreditor Agreement is attached hereto as Exhibit F-2.

“Junior Lien Intercreditor Joinder” means Representative Supplement No. 1, dated as of the date hereof to the Junior Lien Intercreditor Agreement, substantially in the form attached to the Junior Lien Intercreditor Agreement.

“**Latest Maturity Date**” means, at any date of determination, the latest maturity or expiration date applicable to any Loan or Commitment hereunder at such time, including the latest maturity or expiration date of any Other Term Loan, any Other Term Commitment, any Other Revolving Loan or any Other Revolving Commitment, in each case as extended in accordance with this Agreement from time to time.

“**LC Cash Collateral Account**” has the meaning assigned to such term in Section 2.22.

“**LC Commitment**” means \$5,000,000.

“**LC Disbursement**” means a payment made by an Issuing Bank pursuant to a Letter of Credit.

“**LC Exposure**” means, at any time, the total LC Obligations. The LC Exposure of any Revolving Lender at any time shall be its Applicable Percentage of the aggregate LC Exposure at such time.

“**LC Obligations**” means, at any time, an amount equal to the sum of (a) the aggregate then undrawn and unexpired amount of the then outstanding Letters of Credit and (b) the aggregate amount of drawings under Letters of Credit that have not then been reimbursed by the Borrower pursuant to Section 2.22. For all purposes of this Agreement, if on any date of determination a Letter of Credit has expired by its terms but any amount may still be drawn thereunder by reason of the operation of Rule 3.14 of the International Standby Practices (ISP98), such Letter of Credit shall be deemed to be “outstanding” in the amount so remaining available to be drawn. Unless otherwise specified herein, the amount of a Letter of Credit at any time shall be deemed to be the stated amount of such Letter of Credit in effect at such time; *provided* that with respect to any Letter of Credit that, by its terms or the terms of any document related thereto, provides for one or more automatic increases in the stated amount thereof, the amount of such Letter of Credit shall be deemed to be the maximum stated amount of such Letter of Credit after giving effect to all such increases, whether or not such maximum stated amount is in effect at such time.

“**LC Participants**” means the collective reference to all the Revolving Lenders other than the Issuing Bank.

“**Lead Arranger**” means (i) [with respect to the Transactions](#), each of Jefferies Finance LLC and RBC Capital Markets ~~and~~, (ii) with respect to Amendment No. 1, the Amendment No. 1 Lead Arranger [and \(iii\) with respect to Amendment No. 2, the Amendment No. 2 Lead Arranger](#).

“**Lender Parent**” means, with respect to any Lender, any Person as to which such Lender is, directly or indirectly, a Subsidiary.

“**Lenders**” means the Persons listed on Schedule 2.01 and any other Person that shall have become a party hereto (as a lender) pursuant to an Assignment and Assumption, an Incremental Revolving Facility Amendment, an Incremental Term Facility Amendment or a Refinancing Amendment, in each case, other than any such Person that ceases to be a party hereto pursuant to an Assignment and Assumption. Unless the context requires otherwise, the term “Lenders” includes the Swingline Lender.

“**Letters of Credit**” has the meaning assigned to such term in Section 2.22(a).

“**LIBO Rate**” means, with respect to any Eurodollar Borrowing for any Interest Period, the rate per annum equal to the London interbank offered rate as administered by ICE Benchmark Administration (or any other Person that takes over the administration of such rate) for Dollars for a period equal in length to such Interest Period as displayed on pages LIBOR01 or LIBOR02 of the Reuters screen that displays such rate (or, in the event such rate does not appear on a Reuters page or screen, on any successor or substitute page on such screen that displays such rate, or on the appropriate page of such other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion; in each case, the “**LIBO Screen Rate**”; *provided* that if the LIBO Screen Rate determined pursuant to this definition would be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period; *provided, further*, that if the LIBO Screen Rate shall not be available at such time for such Interest Period (an “**Impacted Interest Period**”), then the LIBO Rate shall be the Interpolated Rate comparable to such period as of approximately 11:00 a.m., London time, on such date.

Notwithstanding the foregoing, with respect to the Initial Term Loans and Revolving Loans, the LIBO Rate with respect to any applicable Interest Period will be deemed to be zero if the LIBO Rate for such Interest Period determined pursuant to this definition would otherwise be less than zero.

“**LIBO Screen Rate**” shall have the meaning set forth in the definition of “LIBO Rate.”

“**Lien**” means, with respect to any asset, (a) any mortgage, deed of trust, lien, pledge, hypothecation, encumbrance, charge or security interest in, on or of such asset and (b) the interest of a vendor or a lessor under any conditional sale agreement, capital lease or title retention agreement (or any financing lease having substantially the same economic effect as any of the foregoing) relating to such asset.

“**Limited Condition Acquisition**” means any acquisition, including by way of merger, amalgamation or consolidation, which the Borrower or one or more of the Restricted Subsidiaries permitted pursuant to the Loan Documents has contractually committed to consummate, the terms of which do not condition the Borrower’s or such Restricted Subsidiary’s, as applicable, obligation to close such acquisition on the availability of, or on obtaining, third party financing.

“**Loan Document Obligations**” has the meaning assigned to such term in the Collateral Agreement.

“**Loan Documents**” means this Agreement, Amendment No. 1, [Amendment No. 2](#), any Refinancing Amendment, the Guarantee Agreement, the Collateral Agreement, the other Security Documents, any First Lien Intercreditor Agreement, the Junior Lien Intercreditor Agreement, any Notes delivered pursuant to Section 2.07(e) (except for purposes of Section 9.02), the Fee Letter and any other agreement, document or instrument to which any Loan Party is a party and which is designated as a Loan Document.

“Loan Parties” means Holdings, any Intermediate Parent, the Borrower and the Subsidiary Loan Parties.

“Loans” means the loans made by the Lenders to the Borrower pursuant to this Agreement. Unless the context otherwise requires, the term “Loans” includes Swingline Loans.

“Majority in Interest” means, when used in reference to Lenders of any Class, at any time, (a) in the case of the Revolving Lenders, Lenders having Revolving Exposures and unused Revolving Commitments representing more than 50% of the sum of the aggregate Revolving Exposures and the aggregate unused Revolving Commitments at such time and (b) in the case of the Term Lenders of any Class, Lenders holding outstanding Term Loans of such Class representing more than 50% of all Term Loans of such Class outstanding at such time, *provided that* (a) the Loans, Revolving Exposures and unused Commitments of the Borrower or any Affiliate thereof and (b) whenever there are one or more Defaulting Lenders, the total outstanding Revolving Exposures of, and the unused Revolving Commitments of, each Defaulting Lender shall in each case be excluded for purposes of making a determination of the Majority in Interest.

“Material Adverse Effect” means any event, circumstance or condition that has had, or would reasonably be expected to have, a materially adverse effect on (a) the business, financial condition or results of operations of Holdings and its Restricted Subsidiaries, taken as a whole, (b) the ability of the Borrower and the other Loan Parties, taken as a whole, to perform their payment obligations under the Loan Documents or (c) the rights and remedies of the Administrative Agent and the Lenders under the Loan Documents.

“Material Indebtedness” means Indebtedness (other than the Loan Document Obligations), or obligations in respect of one or more Swap Agreements, of any one or more of Holdings and the Restricted Subsidiaries in an aggregate principal amount exceeding \$40,000,000. For purposes of determining Material Indebtedness, the “principal amount” of the obligations in respect of any Swap Agreement at any time shall be the maximum aggregate amount (giving effect to any netting agreements) that Holdings or such Restricted Subsidiary would be required to pay if such Swap Agreement were terminated at such time.

“Material Subsidiary” means (i) each Wholly Owned Restricted Subsidiary that, as of the last day of the fiscal quarter of Holdings most recently ended, had revenues or total assets for such quarter in excess of 2.5% of the consolidated revenues or total assets, as applicable, of Holdings for such quarter and (ii) any group comprising Wholly Owned Restricted Subsidiaries that each would not have been a Material Subsidiary under clause (i) but that, taken together, as of the last day of the fiscal quarter of Holdings most recently ended, had revenues or total assets for such quarter in excess of 5% of the consolidated revenues or total assets, as applicable, of Holdings for such quarter; *provided that* solely for purposes of Sections 7.01(h) and (i) each such Subsidiary forming part of such group is subject to an Event of Default under one or more of such Sections.

“Maximum Rate” has the meaning assigned to such term in Section 9.16.

“Merger” means the merger of Merger Sub with and into ITG, with ITG surviving such merger.

“**Merger Agreement**” means that certain Agreement and Plan of Merger, dated as of November 6, 2018, among VFI, Merger Sub and ITG.

~~“**Merger**” means the merger of Merger Sub with and into ITG, with ITG surviving such merger.~~

“**Merger Sub**” means Impala Merger Sub, Inc., a Delaware corporation.

“**MFN Protections**” shall have the meaning specified in Section 2.18(a)(ii).

“**Moody’s**” means Moody’s Investors Service, Inc. and any successor to its rating agency business.

“**Mortgage**” means a mortgage, deed of trust, assignment of leases and rents, leasehold mortgage or other security document granting a Lien on any Mortgaged Property to secure the Secured Obligations. Each Mortgage shall be in form and substance reasonably satisfactory to the Administrative Agent and the Borrower.

“**Mortgaged Property**” means each parcel of real property and the improvements thereto owned by a Loan Party with respect to which a Mortgage is granted pursuant to Section 5.11 or Section 5.12.

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

“**Net First Lien Leverage Ratio**” means, on any date, the ratio of (a) Consolidated First Lien Net Debt as of such date to (b) Consolidated EBITDA for the Test Period most recently ended.

“**Net Proceeds**” means, with respect to any event, (a) the proceeds received in respect of such event in cash or Permitted Investments, including (i) any cash or Permitted Investments received in respect of any non-cash proceeds (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment or earn-out, but excluding any interest payments), but only as and when received, (ii) in the case of a casualty, insurance proceeds, and (iii) in the case of a condemnation or similar event, condemnation awards and similar payments, *minus* (b) the sum of (i) all fees and out-of-pocket expenses paid by Holdings, any Intermediate Parent, the Borrower and its Restricted Subsidiaries in connection with such event (including attorney’s fees, investment banking fees, survey costs, title insurance premiums, and related search and recording charges, transfer taxes, deed or mortgage recording taxes, underwriting discounts and commissions, other customary expenses and brokerage, consultant, accountant and other customary fees), (ii) in the case of a sale, transfer or other disposition of an asset (including pursuant to a sale and leaseback transaction or a casualty or a condemnation or similar proceeding), (x) the amount of all payments that are permitted hereunder and are made by Holdings, any Intermediate Parent, the Borrower and its Restricted Subsidiaries as a result of such event to repay Indebtedness (other than the Loans, any Permitted First Priority Refinancing Debt, any Permitted Junior Lien Refinancing Debt, the Second Lien Notes, any secured Indebtedness incurred pursuant to Section 6.01(a)(viii) or Section 6.01(a)(ix) or any secured Incremental Equivalent Debt issued pursuant to Section 6.01(a)(xxii)) secured by such asset or otherwise subject to mandatory prepayment as a

result of such event, (y) the pro rata portion of net cash proceeds thereof (calculated without regard to this clause (y)) attributable to minority interests and not available for distribution to or for the account of Holdings, any Intermediate Parent, the Borrower its Restricted Subsidiaries as a result thereof and (z) the amount of any liabilities directly associated with such asset and retained by the Borrower or any Restricted Subsidiary and (iii) the amount of all taxes paid (or reasonably estimated to be payable), and the amount of any reserves established by Holdings, any Intermediate Parent, the Borrower and its Restricted Subsidiaries to fund contingent liabilities reasonably estimated to be payable, that are directly attributable to such event, *provided* that (x) if the amount of any such estimated taxes exceeds the amount of taxes actually required to be paid in cash in respect of such event, the aggregate amount of such excess shall constitute Net Proceeds at the time such taxes are actually paid and (y) any reduction at any time in the amount of any such reserves (other than as a result of payments made in respect thereof) shall be deemed to constitute the receipt by the Borrower at such time of Net Proceeds in the amount of such reduction.

“**New Project**” means (a) each facility, branch or office which is either a new facility, branch or office or an expansion, relocation, remodeling or substantial modernization of an existing facility, branch or office owned by the Borrower or its Restricted Subsidiaries which in fact commences operations and (y) each creation (in one or a series of related transactions) of a business unit to the extent such business unit commences operations or each expansion (in one or a series of related transactions) of business into a new market.

“**Non-Cash Charges**” means (a) any non-cash impairment charge or asset write-off or write-down related to intangible assets (including goodwill), long-lived assets, and Investments in debt and equity securities pursuant to GAAP, (b) all non-cash losses from Investments recorded using the equity method, (c) all Non-Cash Compensation Expenses, (d) the non-cash impact of acquisition method accounting, and (e) other non-cash charges (*provided*, in each case, that if any non-cash charges represent an accrual or reserve for potential cash items in any future period, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA to such extent, and excluding amortization of a prepaid cash item that was paid in a prior period).

“**Non-Cash Compensation Expense**” means any non-cash expenses and costs that result from the issuance of stock-based awards, partnership interest-based awards and similar incentive based compensation awards or arrangements.

“**Non-Consenting Lender**” has the meaning assigned to such term in Section 9.02(c).

“**Non-Loan Party Investment Amount**” means, at any time, the greater of \$300,000,000 and 40% of Consolidated EBITDA for the most recently ended Test Period.

“**Non-Wholly Owned Subsidiary**” of any Person means any Subsidiary of such Person other than a Wholly Owned Subsidiary.

“**Note**” means a promissory note of the Borrower, in substantially the form of Exhibit E, payable to a Lender in a principal amount equal to the principal amount of the Revolving Commitment or Term Loans, as applicable, of such Lender.

“**NYFRB**” means the Federal Reserve Bank of New York.

“**NYFRB Rate**” means, for any day, the greater of (a) the Federal Funds Effective Rate in effect on such day and (b) the Overnight Bank Funding Rate in effect on such date (or for any day that is not a Business Day, for the immediately preceding Business Day); *provided* that if none of such rates for published for any day that is a Business Day, the term “NYFRB Rate” means the rate for a federal funds transaction quoted at 11:00 a.m. on such day received by the Administrative Agent from a Federal funds broker of recognized standing selected by it; *provided, further*, that if any of the aforesaid rates shall be less than zero, such rate shall be deemed to be zero for purposes of this Agreement.

“**OFAC**” has the meaning assigned to such term in Section 3.19(c).

“~~OID~~**Offered Amount**” has the meaning assigned to such term in Section ~~2.18~~**2.09**(a)(ii)(~~D~~).

“**Offered AmountDiscount**” has the meaning assigned to such term in Section 2.09(a)(ii)(D).

“~~Offered Discount~~**OID**” has the meaning assigned to such term in Section ~~2.09~~**2.18**(a)(ii)(~~D~~).

“**Organizational Documents**” means, with respect to any Person, the charter, articles or certificate of organization or incorporation and bylaws or other organizational or governing documents of such Person.

“**Other Revolving Commitments**” means one or more Classes of revolving credit commitments hereunder or extended Revolving Commitments that result from a Refinancing Amendment.

“**Other Revolving Loans**” means the Revolving Loans made pursuant to any Other Revolving Commitment.

“**Other Taxes**” means any and all present or future recording, stamp, documentary, excise, transfer, sales, property, filing or similar Taxes, charges or levies arising from any payment made under any Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, any Loan Document.

“**Other Term Commitments**” means one or more Classes of term loan commitments hereunder that result from a Refinancing Amendment.

“**Other Term Loans**” means one or more Classes of Term Loans that result from a Refinancing Amendment.

“**Overnight Bank Funding Rate**” means, for any day, the rate comprised of both overnight federal funds and overnight Eurodollar borrowings by U.S.-managed banking offices of depository institutions, as such composite rate shall be determined by the NYFRB as set forth on ~~its public website~~**the Federal Reserve Bank of New York’s Website** from time to time, and published on the next succeeding Business Day by the NYFRB as an overnight bank funding rate.

“**Participant**” has the meaning assigned to such term in Section 9.04(c).

“Participant Register” has the meaning assigned to such term in Section 9.04(c)(ii).

“Participating Lender” has the meaning assigned to such term in Section 2.09(a)(ii)(C).

“PBGC” means the Pension Benefit Guaranty Corporation referred to and defined in ERISA and any successor entity performing similar functions.

“Perfection Certificate” means a certificate substantially in the form of Exhibit C.

“Permitted Acquisition” means the purchase or other acquisition, by merger or otherwise, by Holdings or any Restricted Subsidiary of Equity Interests in, or all or substantially all the assets of (or all or substantially all the assets constituting a business unit, division, product line or line of business of), any Person; *provided* that (a) in the case of any purchase or other acquisition of Equity Interests in a Person, such Person, upon the consummation of such acquisition, will be a Restricted Subsidiary (including as a result of a merger or consolidation between any Restricted Subsidiary and such Person), (b) all transactions related thereto are consummated in accordance with all Requirements of Law, (c) the business of such Person, or such assets, as the case may be, constitute a business permitted by Section 6.03(b), (d) with respect to each such purchase or other acquisition, all actions required to be taken with respect to such newly created or acquired Restricted Subsidiary (including each subsidiary thereof) or assets in order to satisfy the requirements set forth in clauses (a), (b), (c) and (d) of the definition of the term “Collateral and Guarantee Requirement” to the extent applicable shall have been taken (or arrangements for the taking of such actions reasonably satisfactory to the Administrative Agent shall have been made), (e) after giving effect to any such purchase or other acquisition and any incurrence or assumption of Indebtedness in connection therewith, (A) no Event of Default shall have occurred and be continuing (subject to Section 1.08 in connection with any Limited Condition Acquisition) and (B) the Borrower shall be in compliance with the Financial Performance Covenant (to the extent then in effect) on a Pro Forma Basis as of the end of the most recent Test Period and (f) Holdings shall have delivered to the Administrative Agent a certificate of a Financial Officer certifying that all the requirements set forth in this definition have been satisfied with respect to such purchase or other acquisition, together with reasonably detailed calculations demonstrating satisfaction of the requirement set forth in clause (e) above.

“Permitted Encumbrances” means:

(a) Liens for taxes, assessments or governmental charges that are not overdue for a period of more than 30 days or that are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(b) Liens imposed by law, such as carriers’, warehousemen’s, mechanics’, materialmen’s, repairmen’s or construction contractors’ Liens and other similar Liens, in each case arising in the ordinary course of business that secure amounts not overdue for a period of more than 30 days or, if more than 30 days overdue, are unfiled and no other action has been taken to enforce such Lien or that are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are

maintained on the books of the applicable Person in accordance with GAAP, in each case so long as such Liens do not individually or in the aggregate have a Material Adverse Effect;

(c) Liens incurred or deposits made in the ordinary course of business (i) in connection with workers' compensation, unemployment insurance and other social security legislation and (ii) securing liability for reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefit of) insurance carriers providing property, casualty or liability insurance to Holdings or any Restricted Subsidiary;

(d) Liens incurred or deposits made to secure the performance of bids, trade contracts, governmental contracts and leases, statutory obligations, surety, stay, customs and appeal bonds, performance bonds and other obligations of a like nature (including those to secure health, safety and environmental obligations), in each case incurred in the ordinary course of business;

(e) easements, rights-of-way, restrictions, encroachments, protrusions and other similar encumbrances and minor title defects affecting real property that, in the aggregate, do not in any case materially interfere with the ordinary conduct of the business of Holdings and its Restricted Subsidiaries, taken as a whole, and zoning codes and other land use restrictions under applicable law;

(f) Liens securing, or otherwise arising from, judgments not constituting an Event of Default under Section 7.01(j);

(g) Liens on goods the purchase price of which is financed by a documentary letter of credit issued for the account of Holdings or any of its Restricted Subsidiaries; *provided* that such Lien secures only the obligations of Holdings or such Restricted Subsidiaries in respect of such letter of credit to the extent such obligations are permitted by Section 6.01; and

(h) Liens arising from precautionary Uniform Commercial Code financing statements or similar filings made in respect of operating leases entered into by Holdings or any of its Restricted Subsidiaries; *provided* that the term "Permitted Encumbrances" shall not include any Lien securing Indebtedness other than Liens referred to in clause (c) above securing obligations under letters of credit or bank guarantees and in clause (g) above.

"Permitted First Priority Refinancing Debt" means any secured Indebtedness incurred by the Borrower in the form of one or more series of senior secured notes; *provided* that (i) such Indebtedness is secured by the Collateral on a *pari passu* basis (but without regard to the control of remedies) with the Loan Document Obligations and is not secured by any property or assets of Holdings, any Intermediate Parent, the Borrower or any Subsidiary other than the Collateral, (ii) such Indebtedness constitutes Credit Agreement Refinancing Indebtedness, (iii) such Indebtedness does not mature or have scheduled amortization or payments of principal and is not subject to mandatory redemption, repurchase, prepayment or sinking fund obligation (except customary asset sale or change of control provisions), in each case prior to the date that is 91 days after the Latest Maturity Date at the time such Indebtedness is incurred, (iv) the security agreements relating to such Indebtedness are substantially the same as the Security Documents (with such material differences as are reasonably satisfactory to the Administrative Agent), (v) such Indebtedness

is not at any time guaranteed by any Subsidiaries other than the Subsidiary Loan Parties and (vi) a Senior Representative acting on behalf of the holders of such Indebtedness shall have become party to the First Lien Intercreditor Agreement; *provided* that if such Indebtedness is the initial Permitted First Priority Refinancing Debt incurred by the Borrower, then the Loan Parties, the Administrative Agent and the Senior Representative for such Indebtedness shall have executed and delivered the First Lien Intercreditor Agreement. Permitted First Priority Refinancing Debt will include any Registered Equivalent Notes issued in exchange therefor.

“**Permitted Holders**” means (i) the VV Holders, (ii) North Island Holdings I, LP and any Affiliate thereof, (iii) Aranda Investments Pte. Ltd. and any Affiliate thereof, (iv) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) the members of which include any of the foregoing, so long as no Person or other “group” (other than Permitted Holders specified in clauses (i) through (iii) above) beneficially owns more than 50% on a fully diluted basis of the voting power held by such Permitted Holder group and (v) Virtu Financial, Inc. and its Subsidiaries, so long as no “person” or “group” (as each such term is used in Section 13(d) of the Exchange Act) other than one or more Permitted Holders specified in clauses (i) through (iv) above is or becomes the Beneficial Owner, directly or indirectly, of more than 50% of the Voting Stock of Virtu Financial, Inc. or any such Subsidiary, measured by voting power rather than number of shares, units or the like.

“**Permitted Investments**” means any of the following, to the extent owned by Holdings or any Restricted Subsidiary:

(a) dollars, euro or such other currencies held by it from time to time in the ordinary course of business;

(b) readily marketable obligations issued or directly and fully guaranteed or insured by the government or any agency or instrumentality of (i) the United States or (ii) any member nation of the European Union, having average maturities of not more than 12 months from the date of acquisition thereof; *provided* that the full faith and credit of the United States or a member nation of the European Union is pledged in support thereof;

(c) time deposits with, or insured certificates of deposit or bankers’ acceptances of, any commercial bank that (i) is a Lender or (ii) has combined capital and surplus of at least \$250,000,000 (any such bank in the foregoing clause (i) or (ii) being an “**Approved Bank**”), in each case with average maturities of not more than 12 months from the date of acquisition thereof;

(d) commercial paper and variable or fixed rate notes issued by an Approved Bank (or by the parent company thereof) or any variable or fixed rate note issued by, or guaranteed by, a corporation rated A-2 (or the equivalent thereof) or better by S&P or P-2 (or the equivalent thereof) or better by Moody’s, in each case with average maturities of not more than 12 months from the date of acquisition thereof;

(e) repurchase agreements entered into by any Person with an Approved Bank, a bank or trust company (including any of the Lenders) or recognized securities dealer, in each case, having capital and surplus in excess of \$250,000,000 for direct obligations issued by or fully guaranteed or insured by the government or any agency or instrumentality of (i)

the United States or (ii) any member nation of the European Union (other than Greece), in which such Person shall have a perfected first priority security interest (subject to no other Liens) and having, on the date of purchase thereof, a fair market value of at least 100% of the amount of the repurchase obligations;

(f) marketable short-term money market and similar highly liquid funds either (i) having assets in excess of \$250,000,000 or (ii) having a rating of at least A-2 or P-2 from either S&P or Moody's (or, if at any time neither S&P nor Moody's shall be rating such obligations, an equivalent rating from another nationally recognized rating service);

(g) securities with average maturities of 12 months or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States or by any political subdivision or taxing authority of any such state, commonwealth or territory, in each case having an investment grade rating from either S&P or Moody's (or the equivalent thereof);

(h) investments with average maturities of 12 months or less from the date of acquisition in mutual funds rated AAA- (or the equivalent thereof) or better by S&P or Aaa3 (or the equivalent thereof) or better by Moody's;

(i) instruments equivalent to those referred to in clauses (a) through (h) above denominated in euros or any other foreign currency comparable in credit quality and tenor to those referred to above and customarily used by corporations for cash management purposes in any jurisdiction outside the United States to the extent reasonably required in connection with any business conducted by any Restricted Subsidiary organized in such jurisdiction; and

(j) investments, classified in accordance with GAAP as current assets of Holdings or any Restricted Subsidiary, in money market investment programs that are registered under the Investment Company Act of 1940 or that are administered by financial institutions having capital of at least \$250,000,000, and, in either case, the portfolios of which are limited such that substantially all of such investments are of the character, quality and maturity described in clauses (a) through (i) of this definition.

“Permitted Junior Lien Refinancing Debt” means secured Indebtedness incurred by the Borrower in the form of one or more series of junior lien secured notes or junior lien secured loans; *provided* that (i) such Indebtedness is secured by the Collateral and the obligations in respect of any Permitted First Priority Refinancing Debt and is not secured by any property or assets of Holdings, any Intermediate Parent, the Borrower or any Restricted Subsidiary other than the Collateral, (ii) such Indebtedness constitutes Credit Agreement Refinancing Indebtedness, (iii) such Indebtedness does not mature or have scheduled amortization or payments of principal and is not subject to mandatory redemption, repurchase, prepayment or sinking fund obligation (except customary asset sale or change of control provisions), in each case prior to the date that is 91 days after the Latest Maturity Date at the time such Indebtedness is incurred, (iv) the security agreements relating to such Indebtedness reflect the “silent” junior lien nature of the security interests securing such Indebtedness consistent with the terms of the Junior Lien Intercreditor Agreement and are otherwise substantially the same as the Security Documents (with such differences as are reasonably satisfactory to the Administrative Agent), (v) such Indebtedness is not at any

time guaranteed by any Subsidiaries other than the Subsidiary Loan Parties and is not secured by assets other than Collateral and (vi) a Senior Representative acting on behalf of the holders of such Indebtedness shall have become party to the Junior Lien Intercreditor Agreement; *provided* that if such Indebtedness is the initial Permitted Junior Lien Refinancing Debt incurred by the Borrower, then the Loan Parties, the Administrative Agent and the Senior Representatives for such Indebtedness shall have executed and delivered the Junior Lien Intercreditor Agreement. Permitted Junior Lien Refinancing Debt will include any Registered Equivalent Notes issued in exchange therefor.

“Permitted Refinancing” means, with respect to any Person, any modification, refinancing, refunding, renewal or extension of any Indebtedness of such Person; *provided* that (a) the principal amount (or accreted value, if applicable) thereof does not exceed the principal amount (or accreted value, if applicable) of the Indebtedness so modified, refinanced, refunded, renewed or extended except by an amount equal to unpaid accrued interest and premium thereon plus other amounts paid, and fees and expenses incurred, in connection with such modification, refinancing, refunding, renewal or extension and by an amount equal to any existing commitments unutilized thereunder, (b) other than with respect to a Permitted Refinancing in respect of Indebtedness permitted pursuant to Section 6.01(a)(v), Indebtedness resulting from such modification, refinancing, refunding, renewal or extension has a final maturity date equal to or later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being modified, refinanced, refunded, renewed or extended, (c) immediately after giving effect thereto, no Event of Default shall have occurred and be continuing, (d) if the Indebtedness being modified, refinanced, refunded, renewed or extended is subordinated in right of payment or lien priority to the Loan Document Obligations, Indebtedness resulting from such modification, refinancing, refunding, renewal or extension is subordinated in right of payment or lien priority, as applicable, to the Loan Document Obligations on terms at least as favorable to the Lenders as those contained in the documentation governing the Indebtedness being modified, refinanced, refunded, renewed or extended and (e) if the Indebtedness being modified, refinanced, refunded, renewed or extended is the Second Lien Notes or Indebtedness permitted pursuant to Section 6.01(a)(ii), 6.01(a)(vii), 6.01(a)(xx) or 6.01(a)(xxi) or is otherwise a Junior Financing, (i) the terms and conditions (including, if applicable, as to collateral but excluding as to subordination, interest rate (including whether such interest is payable in cash or in kind) and redemption premium) of Indebtedness resulting from such modification, refinancing, refunding, renewal or extension are not, taken as a whole, materially less favorable to the Loan Parties or the Lenders than the terms and conditions of the Indebtedness being modified, refinanced, refunded, renewed or extended as determined by the Borrower in good faith, (ii) the primary obligor in respect of, and the Persons (if any) that Guarantee, Indebtedness resulting from such modification, refinancing, refunding, renewal or extension are the primary obligor in respect of, and Persons (if any) that Guaranteed, respectively, the Indebtedness being modified, refinanced, refunded, renewed or extended and (iii) if secured, such Indebtedness resulting from such modification, refinancing, refunding, renewal or extension shall not be secured by assets that did not secure the Indebtedness being modified, refinanced, refunded, renewed or extended (other than assets that would have secured such Indebtedness pursuant to after acquired property clauses). For the avoidance of doubt, it is understood that a Permitted Refinancing may constitute a portion of an issuance of Indebtedness in excess of the amount of such Permitted Refinancing; *provided* that such excess amount is otherwise permitted to be incurred under Section 6.01.

“Permitted Tax Distributions” means, collectively distributions to the members of Holdings in cash in an amount up to (i) in the case of payments in respect of a Tax Estimation Period, the excess of (A)(I) the Company Income Amount for the Tax Estimation Period in question and for all preceding Tax Estimation Periods, if any, within the Taxable Year containing such Tax Estimation Period multiplied by (II) the Assumed Tax Rate over (B) the aggregate amount of any distributions made with respect to any previous Tax Estimation Period falling in the Taxable Year containing the applicable Tax Estimation Period referred to in (A)(I), and (ii) after the end of a Taxable Year, the excess, if any, of (A)(I) the Taxable Year Income Amount for the Taxable Year in question multiplied by (II) the Assumed Tax Rate over (B) the aggregate amount of any Permitted Tax Distributions under clause (i) made with respect to the Tax Estimation Periods in such Taxable Year; *provided* that if the amount payable in connection with a Tax Estimation Period under clause (i) is less than the aggregate required annualized installment for all members of Holdings for the estimated payment date for such Tax Estimation Period under Section 6655(e) of the Code (calculated assuming (x) all such members are corporations (other than with respect to the Assumed Tax Rate) and Section 6655(e)(2)(C)(ii) is in effect, (y) such members’ only income is from Holdings (determined without regard to any adjustments under Code Sections 743(b) or 704(c)) and (z) the Assumed Tax Rate applies), Holdings shall be permitted to pay an additional amount with respect to such estimated payment date equal to the excess of such aggregate required annualized installment over the amount permitted under clause (i).

“Permitted Unsecured Refinancing Debt” means unsecured Indebtedness incurred by any Loan Party in the form of one or more series of senior unsecured notes or loans; *provided* that (i) such Indebtedness constitutes Credit Agreement Refinancing Indebtedness, (ii) such Indebtedness does not mature or have scheduled amortization or payments of principal and is not subject to mandatory redemption, repurchase, prepayment or sinking fund obligation (except customary asset sale or change of control provisions), in each case prior to the date that is 91 days after the Latest Maturity Date at the time such Indebtedness is incurred, (iii) such Indebtedness is not at any time guaranteed by any Subsidiaries other than Loan Parties and (iv) such Indebtedness (including any Guarantee thereof) is not secured by any Lien on any property or assets of Holdings or any Restricted Subsidiary. Permitted Unsecured Refinancing Debt will include any Registered Equivalent Notes issued in exchange therefor.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any employee pension benefit plan (other than a Multiemployer Plan) subject to the provisions of Title IV of ERISA or Section 412 of the Code or Section 302 of ERISA, and in respect of which the Borrower or any ERISA Affiliate is (or, if such plan were terminated, would under Section 4069 of ERISA be deemed to be) an “employer” as defined in Section 3(5) of ERISA.

“Platform” has the meaning assigned to such term in Section 5.01.

“Post-Transaction Period” has the meaning assigned to such term in the definition of “Pro Forma Adjustment.”

“Prepayment Event” means:

(a) any sale, transfer or other disposition (including (x) pursuant to a sale and leaseback transaction, (y) by way of merger or consolidation and (z) any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding) of any property or asset of Holdings or any of its Restricted Subsidiaries permitted by Section 6.05(f), (j), (k), (m) or (n) other than dispositions resulting in aggregate Net Proceeds not exceeding (A) \$5,000,000 in the case of any single transaction or series of related transactions and (B) \$10,000,000 for all such transactions during any fiscal year of Holdings; or

(b) the incurrence by the Borrower or any of its Restricted Subsidiaries of any Indebtedness, other than Indebtedness permitted under Section 6.01 (other than Permitted Unsecured Refinancing Debt, Permitted First Priority Refinancing Debt, Permitted Junior Lien Refinancing Debt and Other Term Loans which shall constitute a Prepayment Event to the extent required by the definition of "Credit Agreement Refinancing Indebtedness") or permitted by the Required Lenders pursuant to Section 9.02.

"Prime Rate" means the rate of interest per annum last quoted by The Wall Street Journal as the "Prime Rate" in the U.S. or, if The Wall Street Journal ceases to quote such rate, the highest per annum interest rate published by the Federal Reserve Board in Federal Reserve Statistical Release H.15 (519) (Selected Interest Rates) as the "bank prime loan" rate or, if such rate is no longer quoted therein, any similar rate quoted therein (as determined by the Administrative Agent) or any similar release by the Federal Reserve Board (as determined by the Administrative Agent). Each change in the Prime Rate shall be effective from and including the date such change is publicly announced or quoted as being effective.

"Pro Forma Adjustment" means, for any Test Period, the amount of "run rate" net cost savings, synergies and operating expense reductions projected by Holdings in good faith to result from the Transactions or other acquisitions or dispositions, in each case no later than 24 months after the Closing Date or the date of such other acquisition or disposition (the **"Post-Transaction Period"**) (calculated on a Pro Forma Basis as though such cost savings, operating expense reductions and synergies had been realized on the first day of the period for which Consolidated EBITDA is being determined and if such cost savings, operating expense reductions and synergies were realized during the entirety of such period), net of the amount of actual benefits realized during such period from such actions (and reflected in Consolidated Net Income for such period); *provided* that such cost savings, operating expense reductions and synergies are reasonably identifiable and factually supportable and described in reasonable detail by a Financial Officer in an officer's certificate delivered to the Administrative Agent (it being understood and agreed that "run rate" means the full recurring benefit for a period that is associated with any action taken, committed to be taken or with respect to which substantial steps have been taken or are expected to be taken).

"Pro Forma Basis," "Pro Forma Compliance" and "Pro Forma Effect" means, with respect to compliance with any test or covenant hereunder required by the terms of this Agreement to be made on a Pro Forma Basis, that (a) to the extent applicable, the Pro Forma Adjustment shall have been made and (b) all Specified Transactions and the following transactions in connection therewith shall be deemed to have occurred as of the first day of the applicable period of measurement in such test or covenant: (i) income statement items (whether positive or negative) attributable to the property or Person subject to such Specified

Transaction, (A) in the case of a Disposition of all or substantially all Equity Interests in any subsidiary of Holdings or any division, product line, or facility used for operations of Holdings or any of its Restricted Subsidiaries, shall be excluded and (B) in the case of a Permitted Acquisition or Investment described in the definition of “Specified Transaction,” shall be included, (ii) any retirement of Indebtedness, and (iii) any Indebtedness incurred or assumed by Holdings, the Borrower or any of its Subsidiaries in connection therewith (and if such Indebtedness has a floating or formula rate, shall have an implied rate of interest for the applicable period for purposes of this definition determined by utilizing the rate that is or would be in effect with respect to such Indebtedness as at the relevant date of determination); *provided* that, without limiting the application of the Pro Forma Adjustment pursuant to clause (a) above, the foregoing pro forma adjustments may be applied to any such test or covenant solely to the extent that such adjustments are consistent with the definition of “Consolidated EBITDA” and give effect to operating expense reductions that are (i) (x) directly attributable to such transaction, (y) expected to have a continuing impact on Holdings or any of its Restricted Subsidiaries and (z) factually supportable or (ii) otherwise consistent with the definition of “Pro Forma Adjustment;” *provided, further*, that all pro forma adjustments made pursuant to this definition (including the Pro Forma Adjustment) with respect to the Transactions shall be consistent in character and amount with the adjustments reflected in the Pro Forma Financial Statements.

“**Pro Forma Disposal Adjustment**” means, for any Test Period that includes all or a portion of a fiscal quarter included in any Post-Transaction Period with respect to any Sold Entity or Business or Converted Unrestricted Subsidiary, the pro forma increase or decrease in Consolidated EBITDA projected by Holdings in good faith as a result of contractual arrangements between Holdings or any Restricted Subsidiary, entered into with such Sold Entity or Business or Converted Unrestricted Subsidiary at the time of its disposal or conversion, within the Post-Transaction Period and which represent an increase or decrease in Consolidated EBITDA which is incremental to the Disposed EBITDA of such Sold Entity or Business or Converted Unrestricted Subsidiary for the most recent four quarter period prior to its disposal or conversion.

“**Pro Forma Entity**” has the meaning given to such term in the definition of “Acquired EBITDA.”

“**Pro Forma Financial Statements**” shall have the meaning set forth in Section 4.01(m).

“**Proposed Change**” has the meaning assigned to such term in Section 9.02(c).

“**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.

“**Public Lender**” has the meaning assigned to such term in Section 5.01.

“**Qualified Equity Interests**” means Equity Interests of a Person other than Disqualified Equity Interests of such Person.

“**Qualifying Lender**” has the meaning assigned to such term in Section 2.09(a)(ii)(D)(3).

“**RCF Springing Maturity Date**” means December 15, 2021.

“**Refinanced Debt**” has the meaning assigned to such term in the definition of “Credit Agreement Refinancing Indebtedness.”

“**Refinancing Amendment**” means an amendment to this Agreement in form and substance reasonably satisfactory to the Administrative Agent and the Borrower executed by each of (a) the Borrower and Holdings (and to the extent reasonably requested by the Administrative Agent, each other Loan Party), (b) the Administrative Agent and (c) each Additional Lender and Lender that agrees to provide any portion of the Credit Agreement Refinancing Indebtedness being incurred pursuant thereto, in accordance with Section 2.19.

“**Refinancing Borrower**” has the meaning assigned to such term in the preamble.

“**Refinancing Term Loans**” means a Loan made by a Lender to the Refinancing Borrower on the Closing Date ~~pursuant to Section 2.01(a)~~. The aggregate principal amount of Refinancing Term Loans as of the Closing Date is as set forth on Schedule 1.01(b) under the heading “Refinancing Term Loans.”

“**Register**” has the meaning assigned to such term in Section 9.04(b)(iv).

“**Registered Equivalent Notes**” means, with respect to any notes originally issued in a Rule 144A or other private placement transaction under the Securities Act of 1933, substantially identical notes (having the same Guarantees) issued in a dollar-for-dollar exchange therefor pursuant to an exchange offer registered with the SEC.

“**Regulated Subsidiary**” means any Broker-Dealer Subsidiary, any subsidiary of a Broker-Dealer Subsidiary or other Subsidiary subject to regulation of capital adequacy.

“**Regulatory Supervising Organization**” means any of (a) the SEC, (b) the Financial Industry Regulatory Authority, (c) the Chicago Stock Exchange, (d) the Commodity Futures Trading Commission, (e) state securities commissions, (f) the Irish Financial Regulator and (g) any other U.S. or foreign governmental or self-regulatory organization, exchange, clearing house or financial regulatory authority of which any Subsidiary is a member or to whose rules it is subject.

“**Reimbursement Obligation**” means the obligation of the Borrower to reimburse the Issuing Bank pursuant to Section 2.22(d) for amounts drawn under Letters of Credit.

“**Related Parties**” means, with respect to any specified Person, such Person’s Affiliates and the partners, directors, officers, employees, trustees, agents, controlling persons, advisors and other representatives of such Person and of each of such Person’s Affiliates and permitted successors and assigns.

“**Release**” means any release, spill, emission, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into or through the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) and including the environment within any building, or any occupied structure, facility or fixture.

“**Released Subsidiary**” has the meaning assigned to such term in Section 6.13(b).

“Relevant Governmental Body” means the Federal Reserve Board and/or the NYFRB, or a committee officially endorsed or convened by the Federal Reserve Board and/or the NYFRB or, in each case, any successor thereto.

“Repo Agreement” means any of the following: repurchase agreements, reverse repurchase agreements, sell buy backs and buy sell backs agreements, securities lending and borrowing agreements and any other agreement or transaction similar to those referred to above in this definition.

“Repricing Transaction” means the prepayment or refinancing of all or a portion of the Initial Term Loans with the incurrence by any Loan Party of any Indebtedness in the form of long term bank debt financing incurred for the primary purpose of repaying, refinancing, substituting or replacing the Initial Term Loans and having an effective All-In Yield (as determined by the Administrative Agent consistent with generally accepted financial practice) that is less than the All-In Yield (as determined by the Administrative Agent on the same basis) of the Initial Term Loans, including without limitation, as may be effected through any amendment to this Agreement relating to the All-In Yield of such Initial Term Loans, except for any such Indebtedness incurred or amendment effected in connection with a Change in Control or a Transformative Acquisition.

“Required Lenders” means, at any time, Lenders having Revolving Exposures, Term Loans and unused Commitments (other than Swingline Commitments) representing more than 50% of the aggregate Revolving Exposures, outstanding Term Loans and unused Commitments (other than Swingline Commitments) at such time; *provided* that to the extent set forth in Section 9.02, (a) the Revolving Exposures, Term Loans and unused Commitments of the Borrower or any Affiliate thereof and (b) whenever there are one or more Defaulting Lenders, the total outstanding Revolving Exposures of, and the unused Revolving Commitments of, each Defaulting Lender shall in each case be excluded for purposes of making a determination of Required Lenders.

“Required Revolving Lenders” means, at any time, Revolving Lenders having Revolving Exposures and unused Revolving Commitments (exclusive of Swingline Commitments) representing more than 50% of the sum of the aggregate Revolving Exposures and the aggregate unused Revolving Commitments (exclusive of Swingline Commitments) at such time; *provided* that to the extent set forth in Section 9.02, (a) the Revolving Exposures and unused Revolving Commitments of any Affiliate of the Borrower and (b) whenever there are one or more Defaulting Lenders, the total outstanding Revolving Exposures of, and the unused Revolving Commitments of, each Defaulting Lender shall in each case be excluded for purposes of making a determination of Required Revolving Lenders.

“Requirements of Law” means, with respect to any Person, any statutes, laws (common, statutory or otherwise), treaties, rules, regulations (including any official interpretations thereof), orders, decrees, writs, injunctions or determinations of any arbitrator or court or other Governmental Authority or Regulatory Supervising Organization, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

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

“Responsible Officer” means the chief executive officer, chief operating officer, president, vice president, chief financial officer, treasurer or assistant treasurer, or other similar officer, manager or a director of a Loan Party and with respect to certain limited liability companies or partnerships that do not have officers, any manager, sole member, managing member or general partner thereof, and as to any document delivered on the Closing Date or thereafter pursuant to paragraph (a)(i) of the definition of the term “Collateral and Guarantee Requirement,” any secretary or assistant secretary of a Loan Party. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Equity Interests in Holdings, the Borrower or any Restricted Subsidiary or any Intermediate Parent, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Equity Interests in Holdings, any Intermediate Parent, the Borrower or any Restricted Subsidiary or any option, warrant or other right to acquire any such Equity Interests in Holdings, any Intermediate Parent, the Borrower or any Restricted Subsidiary.

“Restricted Subsidiary” means any Subsidiary other than an Unrestricted Subsidiary.

“Retained Declined Proceeds” has the meaning assigned to such term in Section 2.09(d).

“Revolving Availability Period” means the period from and including the Closing Date to but excluding the earlier of (a) the Revolving Maturity Date and (b) the date of the termination of the Revolving Commitments.

“Revolving Commitment” means, with respect to each Lender, the commitment, if any, of such Lender to make Revolving Loans and to acquire participations in Swingline Loans and Letters of Credit hereunder, expressed as an amount representing the maximum possible aggregate amount of such Lender’s Revolving Exposure hereunder, as such commitment may be (a) reduced from time to time pursuant to Section 2.06 and (b) reduced or increased from time to time pursuant to (i) assignments by or to such Lender pursuant to an Assignment and Assumption or (ii) a Refinancing Amendment. The initial amount of each Lender’s Revolving Commitment is set forth on Schedule 2.01, in the Assignment and Assumption or in the Refinancing Amendment pursuant to which such Lender shall have assumed its Revolving Commitment, as the case may be. The initial aggregate amount of the Lenders’ Revolving Commitments as of the Closing Date is \$50,000,000.

“Revolving Commitment Increase Lender” has the meaning assigned to such term in Section 2.18(c)(i).

“Revolving Exposure” means, with respect to any Lender at any time, the sum of (i) the outstanding principal amount of such Lender’s Revolving Loans then outstanding, (ii) such Lender’s LC Exposure at such time and (iii) such Lender’s Swingline Exposure at such time.

“Revolving Facility” means the Revolving Commitments and Revolving Loans hereunder.

“Revolving Lender” means a Lender with a Revolving Commitment or, if the Revolving Commitments have terminated or expired, a Lender with Revolving Exposure.

“Revolving Loan” means a Loan made pursuant to clause (b) of Section 2.01.

“Revolving Maturity Date” means March 1, 2022; *provided, however*, that unless, on or prior to the RCF Springing Maturity Date, at least \$400,000,000 in aggregate principal amount of the Second Lien Notes have been repaid, redeemed, retired or cancelled, or refinanced with or exchanged for Indebtedness permitted under Section 6.01 maturing more than three months following March 1, 2022, the Revolving Maturity Date will be the RCF Springing Maturity Date (or, with respect to any Revolving Lender that has extended its Revolving Commitment pursuant to Section 2.19(b), the extended maturity date set forth in the Extension Notice delivered by the Borrower and such Revolving Lender to the Administrative Agent pursuant to Section 2.19(b)).

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor to its rating agency business.

“Sanctions” means economic sanctions administered or enforced by the United States Government (including without limitation, sanctions enforced by OFAC), the United Nations Security Council, the European Union or Her Majesty’s Treasury.

“SDN List” has the meaning assigned to such term in Section 3.19(d)(i).

“SEC” means the Securities and Exchange Commission or any Governmental Authority succeeding to any of its principal functions.

“Second Lien Notes” means the Borrower’s existing \$500,000,000 6.750% Senior Secured Second Lien Notes due 2022.

“Secured Leverage Incurrence Ratio” has the meaning assigned to such term in the definition of “Incremental Cap.”

“Secured Leverage Ratio” means, as of any date of determination, the ratio of (a) Consolidated Total Debt that is then secured, in whole or part, by Liens on the Collateral as of such date to (b) Consolidated EBITDA for the Test Period most recently ended.

“Secured Obligations” has the meaning assigned to such term in the Collateral Agreement.

“Secured Parties” has the meaning assigned to such term in the Collateral Agreement.

“Security Documents” means the Collateral Agreement, the Mortgages and each other security agreement or pledge agreement executed and delivered pursuant to the Collateral and Guarantee Requirement, Section 5.11 or 5.12 to secure any of the Secured Obligations.

“Senior Representative” means, with respect to the Second Lien Notes or any series of Permitted First Priority Refinancing Debt, Permitted Junior Lien Refinancing Debt, Indebtedness permitted to be secured (to the extent secured by Collateral) pursuant to Section 6.01(a)(viii) or Section 6.01(a)(ix) or Incremental Equivalent Debt incurred under Section 6.01(a)(xxii), the trustee, administrative agent, collateral agent, security agent or similar agent under the indenture or agreement pursuant to which such Indebtedness is issued, incurred or otherwise obtained, as the case may be, and each of their successors in such capacities.

“Similar Business” means any business, the majority of whose revenues are derived from (i) business or activities conducted by the Borrower and its Subsidiaries on the Closing Date, (ii) any business that is a natural outgrowth or reasonable extension, development or expansion of any such business or any business similar, reasonably related, incidental, complementary or ancillary to any of the foregoing or (iii) any business that in the Borrower’s good faith business judgment constitutes a reasonable diversification of businesses conducted by the Borrower and its Subsidiaries.

“SOFR” with respect to any day means the secured overnight financing rate published for such day by the NYFRB, as the administrator of the benchmark (or a successor administrator), on the Federal Reserve Bank of New York’s Website.

“SOFR-Based Rate” means SOFR, Compounded SOFR or Term SOFR.

“Sold Entity or Business” has the meaning assigned to such term in the definition of the term “Consolidated EBITDA.”

“Solicited Discount Proration” has the meaning assigned to such term in Section 2.09(a)(ii)(D)(3).

“Solicited Discounted Prepayment Amount” has the meaning assigned to such term in Section 2.09(a)(ii)(D)(1)(II).

“Solicited Discounted Prepayment Notice” means an irrevocable written notice of a Borrower Solicitation of Discounted Prepayment Offers made pursuant to Section 2.09(a)(ii)(D) substantially in the form of Exhibit M.

“Solicited Discounted Prepayment Offer” means the irrevocable written offer by each Term Lender, substantially in the form of Exhibit N, submitted following the Administrative Agent’s receipt of a Solicited Discounted Prepayment Notice.

“Solicited Discounted Prepayment Response Date” has the meaning assigned to such term in Section 2.09(a)(ii)(D).

“Specified Discount” has the meaning assigned to such term in Section 2.09(a)(ii)(B)(1)(II).

“**Specified Discount Prepayment Amount**” has the meaning assigned to such term in Section 2.09(a)(ii)(B)(1)(II).

“**Specified Discount Prepayment Notice**” means an irrevocable written notice of a Borrower Offer of Specified Discount Prepayment made pursuant to Section 2.09(a)(ii)(B) substantially in the form of Exhibit I.

“**Specified Discount Prepayment Response**” means the irrevocable written response by each Term Lender, substantially in the form of Exhibit J, to a Specified Discount Prepayment Notice.

“**Specified Discount Prepayment Response Date**” has the meaning assigned to such term in Section 2.09(a)(ii)(B)(1).

“**Specified Discount Proration**” has the meaning assigned to such term in Section 2.09(a)(ii)(B)(3).

“**Specified Dividend Amount**” means, as of any date of declaration, (a) prior to any share splits, reverse share splits and/or share recapitalizations of the common stock of VFI following the Closing Date, an amount equal to \$0.24 per share of common stock of VFI then issued and outstanding and (b) in the event of any share split, reverse share split and/or share recapitalization of the common stock of VFI following the Closing Date, an amount adjusted in a manner reasonably determined by the Borrower such that the aggregate amount of the ~~Special~~**Specified** Dividend Amount as calculated (i) with respect to the issued and outstanding common stock of VFI immediately prior to such event and (ii) the issued and outstanding common stock of VFI immediately after such event, remains the same.

“**Specified Representations**” means the representations and warranties set forth in Section 3.01 (limited to the Loan Parties as to existence and corporate power and authority to enter into the Loan Documents), Section 3.02, Section 3.03(b)(i) (limited to the Organizational Documents of the Loan Parties), Section 3.08, Section 3.14, Section 3.16, Section 3.19(a), Section 3.19(b), Section 3.19(c) and Section 3.02(b) of the Collateral Agreement (subject to exceptions consistent with Section 4.01(l) with respect to any Collateral).

“**Specified Swap Agreement**” means the ISDA Master Agreement, Schedule and Credit Support Annex thereto, including any transaction entered into thereunder between the Refinancing Borrower and the Specified Swap Counterparty. For the avoidance of doubt, Obligations of the Loan Parties pursuant to the Specified Swap Agreement shall constitute “Secured Hedge Obligations” (as defined in the Collateral Agreement).

“**Specified Swap Cash Collateral Account**” means a cash account with the Specified Swap Counterparty’s custodian in accordance with the terms of the Specified Swap Agreement.

“**Specified Swap Counterparty**” means Jefferies Financial Services, Inc., in its capacity as hedge provider under the Specified Swap Agreement.

“**Specified Transaction**” means, with respect to any period, the Acquisition and any Permitted Acquisition, Investment, sale, transfer or other disposition of assets,

incurrence, assumption, retirement or repayment of Indebtedness, Restricted Payment, subsidiary designation or other event that by the terms of the Loan Documents requires “Pro Forma Compliance” with a test or covenant hereunder or requires such test or covenant to be calculated on a “Pro Forma Basis”; *provided*, that for purposes of this definition, any Revolving Commitment shall be deemed to be fully drawn.

“**Statutory Reserve Rate**” means a fraction (expressed as a decimal), the numerator of which is the number one and the denominator of which is the number one minus the aggregate of the maximum reserve percentages (including any marginal, special, emergency or supplemental reserves) expressed as a decimal established by the Board **of Governors** and any other banking authority, domestic or foreign, to which the Administrative Agent or any Lender (including any branch, Affiliate or other fronting office making or holding a Loan) is subject for Eurocurrency Liabilities (as defined in Regulation D of the Board **of Governors**). Eurodollar Loans shall be deemed to constitute Eurocurrency Liabilities (as defined in Regulation D of the Board **of Governors**) and to be subject to such reserve requirements without benefit of or credit for proration, exemptions or offsets that may be available from time to time to any Lender under such Regulation D. Statutory Reserve Rates shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

“**Submitted Amount**” has the meaning assigned to such term in Section 2.09(a)(ii)(C)(1)(IV).

“**Submitted Discount**” has the meaning assigned to such term in Section 2.09(a)(ii)(C)(1)(IV).

“**Subordinated Indebtedness**” means any Indebtedness that is subordinated in right of payment to the Loan Document Obligations.

“**subsidiary**” means, with respect to any Person (the “**parent**”) at any date, any corporation, limited liability company, partnership, association or other entity the accounts of which would be consolidated with those of the parent in the parent’s consolidated financial statements if such financial statements were prepared in accordance with GAAP, as well as any other corporation, limited liability company, partnership, association or other entity (a) of which securities or other ownership interests representing more than 50% of the equity or more than 50% of the ordinary voting power or, in the case of a partnership, more than 50% of the general partnership interests are, as of such date, owned, controlled or held, or (b) that is, as of such date, otherwise Controlled, by the parent or one or more subsidiaries of the parent or by the parent and one or more subsidiaries of the parent.

“**Subsidiary**” means, unless otherwise specified, any subsidiary of Holdings.

“**Subsidiary Loan Party**” means each Subsidiary of Holdings that is a party to the Guarantee Agreement (other than any Intermediate Parent, the Borrower or VFGM).

“**Successor Borrower**” has the meaning assigned to such term in Section 6.03(a)(iv)(B).

“**Successor Holdings**” has the meaning assigned to such term in Section 6.03(a)(v)(B).

“**Swap Agreement**” means any agreement with respect to any swap, forward, future or derivative transaction or option or similar agreement or contract involving, or settled by reference to, one or more rates, currencies, commodities, equity or debt instruments or securities, or economic, financial or pricing indices or measures of economic, financial or pricing risk or value or any similar transaction or any combination of these transactions; *provided* that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees or consultants of Holdings, any Intermediate Parent, the Borrower or the other Subsidiaries shall be a Swap Agreement.

“**Swingline Commitment**” means the commitment of the Swingline Lender to make Swingline Loans pursuant to Section 2.23. The Swingline Commitment is \$5,000,000. The Swingline Commitment is part of and not in addition to the Revolving Commitment.

“**Swingline Exposure**” means, at any time, the aggregate principal amount at such time of all outstanding Swingline Loans. The Swingline Exposure of any Revolving Lender at any time shall equal its Applicable Percentage of the aggregate Swingline Exposure at such time.

“**Swingline Lender**” means Jefferies Finance LLC, in its capacity as lender of Swingline Loans hereunder or any replacement or successor thereto.

“**Swingline Loans**” has the meaning assigned to such term in Section 2.01(c).

“**Tax Estimation Period**” means each period (determined without regard to any prior periods) for which an estimate of corporate federal income tax liability is required to be made under the Code.

“**Taxable Year**” means Holdings’ taxable year ending on the last day of each calendar year (or part thereof, in the case of Holdings’ last taxable year), or such other year as is (i) required by Section 706 of the Code or (ii) determined by the Board of Managers of Holdings.

“**Taxable Year Income Amount**” means, for a Taxable Year, an amount equal to the net taxable income of Holdings for such Taxable Year. For purposes of calculating the Taxable Year Income Amount, items of income, gain, loss and deduction resulting from adjustments to the tax basis of Holdings assets pursuant to Code Section 743(b) and adjustments pursuant to Code Section 704(c) shall not be taken into account.

“**Taxes**” means any and all present or future taxes, levies, imposts, duties, deductions, charges or withholdings imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“**Term Commitment**” means, with respect to each Initial Term Lender, such Initial Term Lender’s Initial Term Commitment and, with respect to any other Term Lender, the obligation of such other Term Lender with respect to any other series of Term Loans to make a Term Loan of such series. The aggregate principal amount of Term Commitments on the Closing Date is \$1,500,000,000. The aggregate principal amount of Term Commitments on the Amendment No. ~~1~~² Effective Date is \$1,975,000,000.

“**Term Lender**” means a Lender with a Term Commitment or an outstanding Term Loan.

“**Term Loans**” means the Initial Term Loans, Other Term Loans and loans made pursuant to an Incremental Term Facility, as the context requires.

“**Term Maturity Date**” means March 1, 2026.

“**Term SOFR**” means the forward-looking term rate for any period that is approximately (as determined by the Administrative Agent) as long as any of the Interest Period options set forth in the definition of “Interest Period” and that is based on SOFR and that has been selected or recommended by the Relevant Governmental Body, in each case as published on an information service as selected by the Administrative Agent from time to time in its reasonable discretion.

“**Termination Date**” means the date on which (a) all Commitments shall have been terminated or expired, (b) the principal of and interest on each Loan, all fees and all other expenses or amounts payable under any Loan Document shall have been paid in full (other than in respect of contingent indemnification and expense reimbursement claims not then due) and (c) all Letters of Credit (other than those that have been cash collateralized or backstopped in a manner satisfactory to the applicable Issuing Bank) have been cancelled or have expired and all LC Disbursements shall have been reimbursed in full.

“**Test Period**” means, as of any date of determination, the period of four consecutive fiscal quarters of the Borrower then most recently ended for which financial statements have been (or were required to be) delivered pursuant to Section 5.01(a) or (b)) (or, if indicated and if later, for which financial statements are available); *provided* that prior to the first date on which financial statements have been delivered pursuant to Section 5.01(a) or (b), the Test Period in effect shall be the four fiscal quarter period ended December 31, 2018.

“**Total Leverage Incurrence Ratio**” has the meaning assigned to such term in the definition of “Incremental Cap.”

“**Total Leverage Ratio**” means, on any date, the ratio of (a) Consolidated Total Debt as of such date to (b) Consolidated EBITDA for the Test Period most recently ended.

“**Total Revolving Commitments**” means, at any time, the aggregate amount of the Revolving Commitments then in effect.

“**Trading Debt**” means any margin facility or other margin-related Indebtedness or any other Indebtedness incurred exclusively to finance the securities, derivatives, commodities or futures trading positions and related assets and liabilities of Holdings and its Restricted Subsidiaries, including, without limitation, any collateralized loan, any obligations under any securities lending and/or borrowing facility and any day loans and overnight loans with settlement banks and prime brokers to finance securities, derivatives, commodities or futures trading positions and margin loans.

“**Transaction Costs**” means all fees, costs and expenses incurred or payable by Holdings, the Borrower or any other Subsidiary in connection with the Transactions.

“**Transactions**” means, collectively, (i) the Financing Transactions, (ii) the consummation of the Merger pursuant to the terms of the Merger Agreement, (iii) the Asset Contributions, (iv) the Closing Date Refinancings and (v) the payment of the Transaction Costs in connection with the foregoing.

“**Transformative Acquisition**” means any acquisition or Investment by Holdings, Impala Borrower, any Intermediate Parent, Borrower or any Restricted Subsidiary that either (a) is not permitted by the terms of the Loan Documents immediately prior to the consummation of such acquisition or Investment or (b) if permitted by the terms of the Loan Documents immediately prior to the consummation of such acquisition or Investment, would not provide the Borrower and the Restricted Subsidiaries with adequate flexibility under the Loan Documents for the continuation and/or expansion of their combined operations following such consummation, as determined by the Borrower acting in good faith.

“**Type**,” when used in reference to any Loan or Borrowing, refers to whether the rate of interest on such Loan, or on the Loans comprising such Borrowing, is determined by reference to the Adjusted LIBO Rate or the Alternate Base Rate.”

“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 Benchmark Replacement excluding the Benchmark Replacement Adjustment; *provided that, if the Unadjusted Benchmark Replacement as so determined would be less than zero, the Unadjusted Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.*

“**Unrestricted Subsidiary**” means any Subsidiary (other than an Intermediate Parent or the Borrower) designated by the Borrower as an Unrestricted Subsidiary pursuant to Section 5.13 subsequent to the Closing Date.

“Unsecured Leverage Test” has the meaning assigned to such term in the definition of “Incremental Cap.”

“**USA Patriot Act**” means the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, as amended from time to time.

~~“Unsecured Leverage Test” has the meaning assigned to such term in the definition of “Incremental Cap.”~~

“**VFGM**” means Virtu Financial Global Markets LLC, a Delaware limited liability company.

“VFI” means Virtu Financial, Inc., a Delaware corporation.

“**Voting Stock**” of any specified Person as of any date means the Equity Interests of such Person that is at the time entitled to vote in an election of the Board of Directors of Holdings or such Person.

“**VV Holders**” means (i) Vincent Viola, (ii) TJMT Holdings LLC (f/k/a Virtu Holdings LLC), (iii) any immediate family member of Vincent Viola, a trust, family-partnership or estate-planning vehicle solely for the benefit of Vincent Viola and/or any of his immediate family members (including siblings of Vincent Viola and Teresa Viola), (iv) Virtu Employee Holdco LLC and (v) any other Affiliate of any of the foregoing.

“**Weighted Average Life to Maturity**” means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (a) the sum of the products obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (b) the then outstanding principal amount of such Indebtedness.

“**Wholly Owned Restricted Subsidiary**” means any Restricted Subsidiary that is a Wholly Owned Subsidiary of Holdings.

“**Wholly Owned Subsidiary**” means, with respect to any Person at any date, a subsidiary of such Person of which securities or other ownership interests representing 100% of the Equity Interests (other than (a) directors’ qualifying shares and (b) nominal shares issued to foreign nationals to the extent required by applicable Requirements of Law) are, as of such date, owned, controlled or held by such Person or one or more Wholly Owned Subsidiaries of such Person or by such Person and one or more Wholly Owned Subsidiaries of such Person.

“**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 I 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.

Section 1.02. Classification of Loans and Borrowings. For purposes of this Agreement, Loans and Borrowings may be classified and referred to by Class (e.g., a “**Term Loan**” or “**Revolving Loan**”) or by Type (e.g., a “**Eurodollar Loan**”) or by Class and Type (e.g., a “**Eurodollar Term Loan**” or “**ABR Revolving Loan**”). Borrowings also may be classified and referred to by Class (e.g., a “**Term Borrowing**” or “**Revolving Borrowing**”) or by Type (e.g., a “**Eurodollar Borrowing**”) or by Class and Type (e.g., a “**Eurodollar Term Borrowing**” or “**ABR Revolving Borrowing**”).

Section 1.03. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include,” “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall.” Unless the context requires otherwise, (a) any definition of or reference to any agreement (including this Agreement and the other Loan Documents), instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, amended and restated, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person’s successors and assigns (subject to any restrictions on assignment set forth herein) and, in the case of any Governmental Authority or Regulatory Supervising Organization, any other Governmental Authority or Regulatory Supervising Organization that shall have succeeded to any or all functions thereof, (c) the words “herein,” “hereof” and “hereunder,” and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement and (e) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

Section 1.04. Accounting Terms; GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; *provided, however*, that if the Borrower notifies the Administrative Agent that the Borrower requests an amendment to any provision (including any definitions) hereof to eliminate the effect of any change occurring after the Closing Date in GAAP or in the application thereof on the operation of such provision (or if the Administrative Agent notifies the Borrower that the Required Lenders request an amendment to any provision hereof for such purpose), regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith. Notwithstanding any other provision contained herein, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made, without giving effect to any election under Financial Accounting Standards Accounting Standards Codification No. 825, “Financial Instruments”, or any successor

thereto (including pursuant to the Accounting Standards Codification), to value any Indebtedness of Holdings, the Borrower or any Subsidiary at “fair value”, as defined therein.

Section 1.05. Effectuation of Transactions. All references herein to Holdings, the Borrower and the other Subsidiaries shall be deemed to be references to such Persons, and all the representations and warranties of Holdings, the Borrower and the other Loan Parties contained in this Agreement and the other Loan Documents shall be deemed made, in each case, after giving effect to the Transactions to occur on the Closing Date, unless the context otherwise requires.

Section 1.06. Currency Translation. Notwithstanding the foregoing, for purposes of any determination under Article 5, Article 6 (other than the Financial Performance Covenant) or Article 7 or any determination under any other provision of this Agreement expressly requiring the use of a currency exchange rate, all amounts incurred, outstanding or proposed to be incurred or outstanding in currencies other than dollars shall be translated into dollars at currency exchange rates in effect on the date of such determination; *provided, however*, that for purposes of determining compliance with Article 6 with respect to the amount of any Indebtedness, Investment, Disposition or Restricted Payment in a currency other than dollars, no Default or Event of Default shall be deemed to have occurred solely as a result of changes in rates of exchange occurring after the time such Indebtedness or Investment is incurred or Disposition or Restricted Payment made; *provided that*, for the avoidance of doubt, the foregoing provisions of this Section 1.06 shall otherwise apply to such Sections, including with respect to determining whether any Indebtedness or Investment may be incurred or Disposition or Restricted Payment made at any time under such Sections. For purposes of the Financial Performance Covenant, amounts in currencies other than dollars shall be translated into dollars at the currency exchange rates used in preparing the most recently delivered financial statements pursuant to Section 5.01(a) or (b).

Section 1.07. 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 1.08. Limited Condition Acquisitions. Notwithstanding anything to the contrary contained herein, for purposes of (a)(i) measuring the relevant ratios and baskets, (ii) determining whether a Default or Event of Default (other than any Default under Section 7.01(a), (b), (h) or (i)) exists or would be caused thereby and (iii) determining the accuracy of any representation or warranty, in each case solely with respect to the incurrence of any Incremental Facility or Indebtedness under Section 6.01(a)(viii), Section 6.01(a)(ix) or Section 6.01(a)(xxii) for the purpose of financing a Limited Condition Acquisition, or (b) determining whether the Limited Condition Acquisition is permitted under this Agreement, compliance with any such ratio, basket or other test hereunder on a Pro Forma Basis with respect to the incurrence of any such Indebtedness or the consummation of such Limited Condition Acquisition may be

determined, at the option of the Borrower, either (i) at the time of entry into the applicable acquisition agreement or (ii) at the time of incurrence of such Indebtedness or the consummation of such Limited Condition Acquisition; *provided* that if the Borrower elects to have such determination occur at the time of entry into the applicable acquisition agreement, such Indebtedness to be incurred shall be deemed incurred at the time of such determination and outstanding thereafter, and such Limited Condition Acquisition will be deemed to have been consummated for four complete fiscal quarters, and be given pro forma effect, for purposes of determining compliance on a Pro Forma Basis with any applicable ratio, basket or other test with respect thereto and in connection with the incurrence of any other Indebtedness (other than under such Incremental Facility or Indebtedness under Section 6.01(a)(viii), Section 6.01(a)(ix) or Section 6.01(a)(xxii), which shall remain subject to the terms thereof with respect to the impact, if any, of a Limited Condition Acquisition) or Liens, or the making of any other Investments, Dispositions or fundamental changes (A) until such time as such acquisition agreement is terminated without actually consummating such Limited Condition Acquisition, in which case such Incremental Facility or other applicable Indebtedness will not be treated as having been incurred and such Limited Condition Acquisition will not be treated as having occurred or (B) until such time as such Limited Condition Acquisition is consummated, in which case the actual Incremental Facility or other applicable Indebtedness shall be deemed incurred and outstanding and such acquisition will be deemed to be consummated for purposes of determining compliance on a Pro Forma Basis with any applicable ratio, test or other basket.

Section 1.09. Interest Rates; LIBOR Notification. The interest rate on Eurodollar Loans is determined by reference to the LIBO Rate, which is derived from the London interbank offered rate. The London interbank offered rate is intended to represent the rate at which contributing banks may obtain short-term borrowings from each other in the London interbank market. In July 2017, the U.K. Financial Conduct Authority announced that, after the end of 2021, it would no longer persuade or compel contributing banks to make rate submissions to the ICE Benchmark Administration (together with any successor to the ICE Benchmark Administrator, the “IBA”) for purposes of the IBA setting the London interbank offered rate. As a result, it is possible that commencing in 2022, the London interbank offered rate may no longer be available or may no longer be deemed an appropriate reference rate upon which to determine the interest rate on Eurodollar Loans. In light of this eventuality, public and private sector industry initiatives are currently underway to identify new or alternative reference rates to be used in place of the London interbank offered rate. Upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, Section 2.12(b) provides a mechanism for determining an alternative rate of interest. The Administrative Agent will promptly notify the Borrower, pursuant to Section 2.12(d), of any change to the reference rate upon which the interest rate on Eurodollar Loans is based. However, the Administrative Agent does not warrant or accept any responsibility for, and shall not have any liability with respect to, the administration, submission or any other matter related to the London interbank offered rate or other rates in the definition of “LIBO Rate” or with respect to any alternative or successor rate thereto, or replacement rate thereof (including, without limitation, (i) any such alternative, successor or replacement rate implemented pursuant to Section 2.12(b), whether upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, and (ii) the implementation of any Benchmark Replacement Conforming Changes pursuant to Section 2.12(c)), including without

limitation, whether the composition or characteristics of any such alternative, successor or replacement reference rate will be similar to, or produce the same value or economic equivalence of, the LIBO Rate or have the same volume or liquidity as did the London interbank offered rate prior to its discontinuance or unavailability.

ARTICLE 2
THE CREDITS

Section 2.01. Commitments. Subject to the terms and conditions set forth herein:

(a) Each Lender with an Initial Term Commitment on the Closing Date (each, an “Initial Term Lender”) severally agrees to make Term Loans on the Closing Date to the Acquisition Borrower and the Refinancing Borrower in an aggregate principal amount of all such Term Loans equal to the amount of such Lender’s Initial Term Commitment; *provided* that the amount allocated to the Acquisition Borrower and the amount allocated to the Refinancing Borrower shall be ratably apportioned to such Lenders based on the aggregate amount of Acquisition Term Loans and aggregate amount of Refinancing Term Loans, as indicated in the definitions thereof. Each such Lender, the Acquisition Borrower, the Refinancing Borrower and all other parties hereto further agree that immediately following the Asset Contribution on the Closing Date, (i) the Refinancing Borrower shall assume all the obligations of the Acquisition Borrower with respect to the Acquisition Term Loans (whereupon the Acquisition Borrower will no longer be a Borrower hereunder but will remain a Guarantor hereunder and under the other Loan Documents), (ii) the outstanding principal amount of the Acquisition Term Loans shall be automatically converted into Term Loans of the same Class as the Refinancing Term Loans and (iii) such combined Class of Term Loans (as so combined, the “Initial Term Loans”) shall constitute one fungible Class of Term Loans (including for U.S. Federal income tax purposes). The Initial Additional Term B Lender agrees to make Additional Term B Loans on the Amendment No. 1 Effective Date to the Refinancing Borrower in an aggregate principal amount of all such Additional Term B Loans equal to the amount of such Initial Additional Term B Lender’s Additional Term B Commitment. For the avoidance of doubt, on and after the Amendment No. 1 Effective Date, the Additional Term B Loans shall constitute Initial Term Loans, and the Initial Term Loans (including the Additional Term B Loans) shall constitute one fungible Class of Term Loan (including for U.S. Federal income tax purposes).

(b) Each Revolving Lender agrees to make Revolving Loans to the Borrower from time to time during the Revolving Availability Period in an aggregate principal amount which will not result in such Lender's Revolving Exposure exceeding such Lender's Revolving Commitment.

(c) The Swingline Lender agrees to make Loans (the "Swingline Loans") to the Borrower from time to time during the Revolving Availability Period in accordance with Section 2.23.

(d) Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Revolving Loans. Amounts repaid or prepaid in respect of Term Loans may not be reborrowed.

Section 2.02. Loans and Borrowings.

(a) Each Loan (other than a Swingline Loan) shall be made as part of a Borrowing consisting of Loans of the same Class and Type made by the Lenders ratably in accordance with their respective Commitments of the applicable Class. The failure of any Lender to make any Loan required to be made by it shall not relieve any other Lender of its obligations hereunder; *provided* that the Commitments of the Lenders are several and no Lender shall be responsible for any other Lender's failure to make Loans as required hereby.

(b) Subject to Section 2.12, each Borrowing shall be comprised entirely of ABR Loans or Eurodollar Loans as the Borrower may request in accordance herewith; *provided* that all Borrowings made on the Closing Date must be made as ABR Borrowings unless the Borrower shall have given the notice required for a Eurodollar Borrowing made on the Closing Date under Section 2.03 and provided an indemnity letter extending the benefits of Section 2.14 to Lenders in respect of such Borrowings; *provided, further*, that each Swingline Loan shall be an ABR Loan. Each Lender at its option may make any Loan by causing any domestic or foreign branch or Affiliate of such Lender to make such Loan; *provided* that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement.

(c) At the commencement of each Interest Period for any Eurodollar Borrowing, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000; *provided* that a Eurodollar Borrowing that results from a continuation of

an outstanding Eurodollar Borrowing may be in an aggregate amount that is equal to such outstanding Borrowing. At the time that each ABR Borrowing is made, such Borrowing shall be in an aggregate amount that is an integral multiple of \$1,000,000 and not less than \$5,000,000. Borrowings of more than one Type and Class may be outstanding at the same time; *provided* that there shall not at any time be more than a total of six Eurodollar Borrowings outstanding. Notwithstanding anything to the contrary herein, an ABR Revolving Borrowing (including a Borrowing of Swingline Loans) may be in an aggregate amount which is equal to the entire unused balance of the Total Revolving Commitments (and/or the Swingline Commitments, as applicable) or that is required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.22.

Section 2.03. Requests for Borrowings. To request a Borrowing, the Borrower shall notify the Administrative Agent of such request by telephone (a) in the case of a Eurodollar Borrowing, not later than 2:00 p.m., New York City time, three Business Days before the date of the proposed Borrowing (or, in the case of any Eurodollar Borrowing to be made on the Closing Date, such shorter period of time as may be agreed to by the Administrative Agent), (b) (i) in the case of an ABR Term Borrowing, not later than 2:00 p.m., New York City time, one Business Day before the date of the proposed Borrowing and (ii) in the case of an ABR Revolving Borrowing, not later than 2:00 p.m., New York City time, on the date of the proposed Borrowing or (c) in the case of a Borrowing of Swingline Loans, in accordance with Section 2.23. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile to the Administrative Agent of a written Borrowing Request signed by the Borrower substantially in the form of Exhibit T. Each such telephonic and written Borrowing Request shall specify the following information:

- (i) the Class of such Borrowing;
- (ii) the aggregate amount of such Borrowing;
- (iii) the date of such Borrowing, which shall be a Business Day;
- (iv) whether such Borrowing is to be an ABR Borrowing or (except for Borrowings of Swingline Loans) a Eurodollar Borrowing;
- (v) in the case of a Eurodollar Borrowing, the initial Interest Period to be applicable thereto, which shall be a period contemplated by the definition of the term "Interest Period";
- (vi) the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with the requirements of Section 2.04, or, in the case of any ABR Revolving Borrowing or Swingline Loan requested to finance the reimbursement of an LC Disbursement as provided in Section 2.22, the identity of the Issuing Bank that made such LC Disbursement; and

(vii) that as of the date of such Borrowing, all applicable conditions set forth in Section 4.02(a), Section 4.02(b) and Section 4.02(c) are satisfied.

If no election as to the Type of Borrowing is specified as to any Borrowing, then the requested Borrowing shall be an ABR Borrowing. If no Interest Period is specified with respect to any requested Eurodollar Borrowing, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. Promptly following receipt of a Borrowing Request in accordance with this Section 2.03, the Administrative Agent shall advise each Lender of the applicable Class of the details thereof and of the amount of such Lender's Loan to be made as part of the requested Borrowing.

Section 2.04. Funding of Borrowings.

(a) Each Lender shall make each Loan to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds in dollars by 12:00 p.m., New York City time or, solely in the case of an ABR Revolving Borrowing with respect to which the Borrowing Request is made on the date of the proposed Borrowing, 4:00 p.m., New York City time, to the Applicable Account of the Administrative Agent most recently designated by it for such purpose by notice to the Lenders; *provided* that Swingline Loans shall be made as provided in Section 2.23. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account designated by the Borrower in the applicable Borrowing Request (or, in the case of Refinancing Term Loans and Acquisition Term Loans on the Closing Date, to the accounts designated by the applicable Borrower in its Borrowing Request (which may be a combined Borrowing Request)); *provided* that ABR Revolving Loans or Swingline Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.22 shall be remitted by the Administrative Agent to the applicable Issuing Bank or, to the extent that Revolving Lenders have made payments pursuant to Section 2.22 to reimburse such Issuing Bank, then to such Lenders and such Issuing Bank as their interests may appear.

(b) Unless the Administrative Agent shall have received notice from a Lender prior to the proposed date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's share of such Borrowing, the Administrative Agent may assume that such Lender has made such share available on such date in accordance with paragraph (a) of this Section 2.04 and may, in reliance on such assumption and in its sole discretion, make available to the Borrower a corresponding amount. In such event, if a Lender has not in fact made its share of the applicable Borrowing available to the Administrative Agent, then the

applicable Lender agrees to pay to the Administrative Agent an amount equal to such share on demand of the Administrative Agent. If such Lender does not pay such corresponding amount forthwith upon demand of the Administrative Agent therefor, the Administrative Agent shall promptly notify the Borrower, and the Borrower agrees to pay such corresponding amount to the Administrative Agent forthwith on demand. The Administrative Agent shall also be entitled to recover from such Lender or Borrower interest on such corresponding amount, for each day from and including the date such amount is made available to the Borrower to but excluding the date of payment to the Administrative Agent, at (i) in the case of such Lender, the greater of the Federal Funds Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation or (ii) in the case of the Borrower, the interest rate applicable to such Borrowing in accordance with Section 2.11. If such Lender pays such amount to the Administrative Agent, then such amount shall constitute such Lender's Loan included in such Borrowing.

(c) The obligations of the Lenders hereunder to make Loans, to fund participations in Letters of Credit and Swingline Loans and to make payments pursuant to Section 9.03(c) are several and not joint. The failure of any Lender to make any Loan, to fund any such participation or to make any payment under Section 9.03(c) on any date required hereunder shall not relieve any other Lender of its corresponding obligation to do so on such date, and no Lender shall be responsible for the failure of any other Lender to so make its Loan, to purchase its participation or to make its payment under Section 9.03(c).

Section 2.05. Interest Elections.

(a) Each Borrowing initially shall be of the Type specified in the applicable Borrowing Request or designated by Section 2.03 and, in the case of a Eurodollar Borrowing, shall have an initial Interest Period as specified in such Borrowing Request or designated by Section 2.03. Thereafter, the Borrower may elect to convert such Borrowing to a different Type or to continue such Borrowing and, in the case of a Eurodollar Borrowing, may elect Interest Periods therefor, all as provided in this Section. The Borrower may elect different options with respect to different portions of the affected Borrowing, in which case each such portion shall be allocated ratably among the Lenders holding the Loans comprising such Borrowing, and the Loans comprising each such portion

shall be considered a separate Borrowing. This Section 2.05 shall not apply to Swingline Loans, which may not be converted or continued.

(b) To make an election pursuant to this Section, the Borrower shall notify the Administrative Agent of such election by telephone by the time that a Borrowing Request would be required under Section 2.03 if the Borrower were requesting a Borrowing of the Type resulting from such election to be made on the effective date of such election. Each such telephonic Interest Election Request shall be irrevocable and shall be confirmed promptly by hand delivery, facsimile or other electronic transmission to the Administrative Agent of a written Interest Election Request signed by the Borrower.

(c) Each telephonic and written Interest Election Request shall specify the following information in compliance with Section 2.03:

(i) the Borrowing to which such Interest Election Request applies and, if different options are being elected with respect to different portions thereof, the portions thereof to be allocated to each resulting Borrowing (in which case the information to be specified pursuant to clauses (iii) and (iv) below shall be specified for each resulting Borrowing);

(ii) the effective date of the election made pursuant to such Interest Election Request, which shall be a Business Day;

(iii) whether the resulting Borrowing is to be an ABR Borrowing or a Eurodollar Borrowing; and

(iv) if the resulting Borrowing is to be a Eurodollar Borrowing, the Interest Period to be applicable thereto after giving effect to such election, which shall be a period contemplated by the definition of the term "Interest Period."

If any such Interest Election Request requests a Eurodollar Borrowing but does not specify an Interest Period, then the Borrower shall be deemed to have selected an Interest Period of one month's duration.

(d) Promptly following receipt of an Interest Election Request in accordance with this Section, the Administrative Agent shall advise each Lender of the applicable Class of the details thereof and of such Lender's portion of each resulting Borrowing.

(e) If the Borrower fails to deliver a timely Interest Election Request with respect to a Eurodollar Borrowing prior to the end of the Interest Period applicable thereto, then, unless such Borrowing is repaid as provided herein, at the end of such Interest Period such Borrowing shall be converted to an ABR Borrowing. Notwithstanding any contrary

provision hereof, if an Event of Default has occurred and is continuing and the Administrative Agent, at the request of the Required Lenders, so notifies the Borrower, then, so long as an Event of Default is continuing (i) no outstanding Borrowing may be converted to or continued as a Eurodollar Borrowing and (ii) unless repaid, each Eurodollar Borrowing shall be converted to an ABR Borrowing at the end of the Interest Period applicable thereto.

Section 2.06. Termination and Reduction of Commitments.

(a) Unless previously terminated, (i) the Initial Term Commitments outstanding on the Closing Date shall terminate at 5:00 p.m., New York City time, on the Closing Date, (ii) the Revolving Commitments shall automatically terminate on the Revolving Maturity Date and (iii) the Additional Term B Commitments outstanding on the Amendment No. 1 Effective Date shall terminate at 5:00 p.m., New York City time, on the Amendment No. 1 Effective Date.

(b) The Borrower may at any time terminate, or from time to time reduce, the Commitments of any Class, *provided* that (i) each reduction of the Commitments of any Class shall be in an amount that is an integral multiple of \$500,000 and not less than \$1,000,000 and (ii) the Borrower shall not terminate or reduce the Revolving Commitments if, after giving effect to any concurrent prepayment of the Revolving Loans or Swingline Loans in accordance with Section 2.11, the aggregate Revolving Exposures would exceed the Total Revolving Commitments.

(c) The Borrower shall notify the Administrative Agent of any election to terminate or reduce the Commitments under paragraph (b) of this Section 2.06 at least three Business Days prior to the effective date of such termination or reduction, specifying such election and the effective date thereof. Promptly following receipt of any such notice, the Administrative Agent shall advise the Lenders of the contents thereof. Each notice delivered by the Borrower pursuant to this Section 2.06 shall be irrevocable; *provided* that a notice of termination of the Revolving Commitments delivered by the Borrower may state that such notice is conditioned upon the effectiveness of other credit facilities or the receipt of the proceeds from the issuance of other Indebtedness or the occurrence of some other identifiable event or condition, in which case such notice may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified effective date of termination) if such condition

is not satisfied. Any termination or reduction of the Commitments of any Class shall be permanent. Each reduction of the Commitments of any Class shall be made ratably among the Lenders in accordance with their respective Commitments of such Class.

Section 2.07. Repayment of Loans; Evidence of Debt.

(a) The Borrower hereby unconditionally promises to pay (i) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Revolving Loan of such Lender on the Revolving Maturity Date, (ii) to the Administrative Agent for the account of each Lender the then unpaid principal amount of each Term Loan of such Lender as provided in Section 2.08 and (iii) to the Swingline Lender the then unpaid principal amount of each Swingline Loan made by the Swingline Lender on the earlier to occur of (A) the date that is ten (10) Business Days after such Loan is made and (B) the Revolving Maturity Date; *provided* that on each date that a Revolving Borrowing is made, the Borrower shall repay all Swingline Loans that were outstanding on the date such Borrowing was requested.

(b) 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, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(c) The Administrative Agent shall maintain accounts in which it shall record (i) the amount of each Loan made hereunder, the Class and Type thereof and the Interest Period applicable thereto, (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 for the account of the Lenders and each Lender's share thereof.

(d) The entries made in the accounts maintained pursuant to paragraph (b) or (c) of this Section shall be prima facie evidence of the existence and amounts of the obligations recorded therein, *provided* that the failure of any Lender or the Administrative Agent to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrower to pay any amounts due hereunder in accordance with the terms of this Agreement. In the event of any inconsistency between the entries made pursuant to paragraphs (b) and (c) of this Section 2.07,

the accounts maintained by the Administrative Agent pursuant to paragraph (c) of this Section 2.07 shall control.

(e) Any Lender may request through the Administrative Agent that Loans of any Class made by it be evidenced by a Note. In such event, the Borrower shall execute and deliver to such Lender a Note payable to the order of such Lender (or, if requested by such Lender, to such Lender and its registered assigns).

Section 2.08. Amortization of Term Loans.

(a) Subject to adjustment pursuant to paragraph (c) of this Section 2.08, the Borrower shall repay the Initial Term Loans on each anniversary of the Closing Date in an aggregate principal amount of Initial Term Loans equal to \$20,431,034.48; *provided* that if any such date is not a Business Day, such payment shall be due on the next preceding Business Day.

(b) To the extent not previously paid, all Initial Term Loans shall be due and payable on the Term Maturity Date.

(c) Any prepayment of a Term Borrowing of any Class (i) pursuant to Section 2.09(a)(i) shall be applied to reduce the subsequent scheduled and outstanding repayments of the Term Borrowing of such Class to be made pursuant to this Section as directed by the Borrower (and absent such direction in direct order of maturity), (ii) pursuant to Section 2.09(a)(ii) shall be applied as set forth in Section 2.09(a)(ii)(F) and (iii) pursuant to Section 2.09(b) or 2.09(c) shall be applied to reduce the subsequent scheduled and outstanding repayments of the Term Borrowings of such Class to be made pursuant to this Section, or, except as otherwise provided in any Refinancing Amendment, pursuant to the corresponding section of such Refinancing Amendment, in direct order of maturity.

(d) Prior to any repayment of any Term Borrowings of any Class hereunder, the Borrower shall select the Borrowing or Borrowings of the applicable Class to be repaid and shall notify the Administrative Agent by telephone (confirmed by hand delivery or facsimile) of such election not later than 2:00 p.m., New York City time, three Business Days before the scheduled date of such repayment. In the absence of a designation by the Borrower as described in the preceding sentence, the Administrative Agent shall make such designation in its reasonable discretion with a view, but no obligation, to minimize breakage costs owing

under Section 2.14. Each repayment of a Borrowing shall be applied ratably to the Loans included in the repaid Borrowing. Repayments of Term Borrowings shall be accompanied by accrued interest on the amount repaid.

Section 2.09. Prepayment of Loans.

(a) (i) The Borrower shall have the right at any time and from time to time to prepay any Borrowing in whole or in part, subject to the requirements of this Section 2.09; *provided* that in the event that, on or prior to the ~~one-year anniversary of the Closing~~ date that is six months following the Amendment No. 2 Effective Date, the Borrower (x) makes any prepayment of Initial Term Loans in connection with any Repricing Transaction, or (y) effects any amendment of this Agreement resulting in a Repricing Transaction, the Borrower shall pay to the Administrative Agent, for the ratable account of each of the applicable Term Lenders, (I) in the case of clause (x), a prepayment premium of 1.00% of the principal amount of the Initial Term Loans being prepaid and (II) in the case of clause (y), a payment equal to 1.00% of the aggregate principal amount of the Initial Term Loans outstanding immediately prior to such amendment.

(ii) Notwithstanding anything in any Loan Document to the contrary, so long as no Default or Event of Default has occurred and is continuing, the Borrower may prepay the outstanding Term Loans on the following basis:

(A) The Borrower shall have the right to make a voluntary prepayment of Term Loans at a discount to par (such prepayment, the “**Discounted Term Loan Prepayment**”) pursuant to a Borrower Offer of Specified Discount Prepayment, Borrower Solicitation of Discount Range Prepayment Offers or Borrower Solicitation of Discounted Prepayment Offers, in each case made in accordance with this Section 2.09(a)(ii); *provided* that (x) the Borrower shall not make any Borrowing of Revolving Loans, Swingline Loans or borrowing of loans under any Incremental Revolving Facility to fund any Discounted Term Loan Prepayment and (y) the Borrower shall not initiate any action under this Section 2.09(a)(ii) in order to make a Discounted Term Loan Prepayment unless (I) at least ten (10) Business Days shall have passed since the consummation of the most recent Discounted Term Loan Prepayment as a result of a prepayment made by the Borrower on the applicable Discounted Prepayment Effective Date; or (II) at least three (3) Business Days shall have passed since the date the Borrower was notified that no Term Lender was willing to accept any prepayment of any Term Loan and/or Other Term Loan at the Specified Discount, within the Discount Range or at any discount to par value, as applicable, or in the case of Borrower Solicitation of Discounted

Prepayment Offers, the date of the Borrower's election not to accept any Solicited Discounted Prepayment Offers.

(B) (1) Subject to the proviso to subsection (A) above, the Borrower may from time to time offer to make a Discounted Term Loan Prepayment by providing the Auction Agent with four (4) Business Days' notice in the form of a Specified Discount Prepayment Notice; *provided* that (I) any such offer shall be made available, at the sole discretion of the Borrower, to each Term Lender and/or each Lender with respect to any Class of Term Loans on an individual tranche basis, (II) any such offer shall specify the aggregate principal amount offered to be prepaid (the "**Specified Discount Prepayment Amount**") with respect to each applicable tranche, the tranche or tranches of Term Loans subject to such offer and the specific percentage discount to par (the "**Specified Discount**") of such Term Loans to be prepaid (it being understood that different Specified Discounts and/or Specified Discount Prepayment Amounts may be offered with respect to different tranches of Term Loans and, in such an event, each such offer will be treated as a separate offer pursuant to the terms of this Section 2.09), (III) the Specified Discount Prepayment Amount shall be in an aggregate amount not less than \$1,000,000 and whole increments of \$500,000 in excess thereof and (IV) each such offer shall remain outstanding through the Specified Discount Prepayment Response Date. The Auction Agent will promptly provide each relevant Term Lender with a copy of such Specified Discount Prepayment Notice and a form of the Specified Discount Prepayment Response to be completed and returned by each such Lender to the Auction Agent (or its delegate) by no later than 5:00 p.m., New York City time, on the third Business Day after the date of delivery of such notice to the relevant Term Lenders (the "**Specified Discount Prepayment Response Date**").

(2) Each relevant Term Lender receiving such offer shall notify the Auction Agent (or its delegate) by the Specified Discount Prepayment Response Date whether or not it agrees to accept a prepayment of any of its relevant then outstanding Term Loans at the Specified Discount and, if so (such accepting Term Lender, a "**Discount Prepayment Accepting Lender**"), the amount and the tranches of such Lender's Term Loans to be prepaid at such offered discount. Each acceptance of a Discounted Term Loan Prepayment by a Discount Prepayment Accepting Lender shall be irrevocable. Any Term Lender whose Specified Discount Prepayment Response is not received by the Auction Agent by the Specified Discount Prepayment Response Date shall be deemed to have declined to accept the applicable Borrower Offer of Specified Discount Prepayment.

(3) If there is at least one Discount Prepayment Accepting Lender, the Borrower will make prepayment of outstanding Term Loans pursuant to this paragraph (B) to each Discount Prepayment Accepting Lender in accordance with the respective outstanding amount and tranches of Term Loans specified in such Lender's Specified Discount Prepayment Response given pursuant to subsection (2); *provided* that, if the aggregate principal amount of Term Loans accepted for prepayment by all Discount Prepayment Accepting Lenders exceeds the Specified Discount Prepayment Amount, such prepayment shall be made pro-rata among the Discount Prepayment Accepting Lenders in accordance

with the respective principal amounts accepted to be prepaid by each such Discount Prepayment Accepting Lender and the Auction Agent (in consultation with the Borrower and subject to rounding requirements of the Auction Agent made in its reasonable discretion) will calculate such proration (the “**Specified Discount Proration**”). The Auction Agent shall promptly, and in any case within three (3) Business Days following the Specified Discount Prepayment Response Date, notify (I) the Borrower of the respective Term Lenders’ responses to such offer, the Discounted Prepayment Effective Date and the aggregate principal amount of the Discounted Term Loan Prepayment and the tranches to be prepaid, (II) each Term Lender who made a Solicited Discounted Prepayment Offer of the Discounted Prepayment Effective Date, and the aggregate principal amount and the tranches of Term Loans to be prepaid at the Specified Discount on such date and (III) each Discount Prepayment Accepting Lender of the Specified Discount Proration, if any, and confirmation of the principal amount, tranche and Type of Loans of such Lender to be prepaid at the Specified Discount on such date. Each determination by the Auction Agent of the amounts stated in the foregoing notices to the Borrower and Lenders shall be conclusive and binding for all purposes absent manifest error. The payment amount specified in such notice to the Borrower shall be due and payable by the Borrower on the Discounted Prepayment Effective Date in accordance with subsection (F) below (subject to subsection (J) below).

(C) (1) Subject to the proviso to subsection (A) above, the Borrower may from time to time solicit Discount Range Prepayment Offers by providing the Auction Agent with three (3) Business Days’ notice in the form of a Discount Range Prepayment Notice; *provided* that (I) any such solicitation shall be extended, at the sole discretion of the Borrower, to each Term Lender and/or each Lender with respect to any Class of Loans on an individual tranche basis, (II) any such notice shall specify the maximum aggregate principal amount of the relevant Term Loans (the “**Discount Range Prepayment Amount**”), the tranche or tranches of Term Loans subject to such offer and the maximum and minimum percentage discounts to par (the “**Discount Range**”) of the principal amount of such Term Loans with respect to each relevant tranche of Term Loans willing to be prepaid by the Borrower (it being understood that different Discount Ranges and/or Discount Range Prepayment Amounts may be offered with respect to different tranches of Term Loans and, in such an event, each such offer will be treated as a separate offer pursuant to the terms of this Section 2.09), (III) the Discount Range Prepayment Amount shall be in an aggregate amount not less than \$1,000,000 and whole increments of \$500,000 in excess thereof and (IV) each such solicitation by the Borrower shall remain outstanding through the Discount Range Prepayment Response Date. The Auction Agent will promptly provide each relevant Term Lender with a copy of such Discount Range Prepayment Notice and a form of the Discount Range Prepayment Offer to be submitted by a responding relevant Term Lender to the Auction Agent (or its delegate) by no later than 5:00 p.m., New York City time, on the third Business Day after the date of delivery of such notice to the relevant Term Lenders (the “**Discount Range Prepayment Response Date**”). Each relevant Term Lender’s Discount Range Prepayment Offer shall be irrevocable and shall specify a discount to par within the Discount Range (the “**Submitted Discount**”) at which such Term Lender is willing to allow prepayment of any or all of its then

outstanding Term Loans of the applicable tranche or tranches and the maximum aggregate principal amount and tranches of such Lender's Term Loans (the "**Submitted Amount**") such Lender is willing to have prepaid at the Submitted Discount. Any Term Lender whose Discount Range Prepayment Offer is not received by the Auction Agent by the Discount Range Prepayment Response Date shall be deemed to have declined to accept a Discounted Term Loan Prepayment of any of its Term Loans at any discount to their par value within the Discount Range.

(2) The Auction Agent shall review all Discount Range Prepayment Offers received on or before the applicable Discount Range Prepayment Response Date and shall determine (in consultation with the Borrower and subject to rounding requirements of the Auction Agent made in its sole reasonable discretion) the Applicable Discount and Term Loans to be prepaid at such Applicable Discount in accordance with this subsection (C). The Borrower agrees to accept on the Discount Range Prepayment Response Date all Discount Range Prepayment Offers received by the Auction Agent by the Discount Range Prepayment Response Date, in the order from the Submitted Discount that is the largest discount to par to the Submitted Discount that is the smallest discount to par, up to and including the Submitted Discount that is the smallest discount to par within the Discount Range (such Submitted Discount that is the smallest discount to par within the Discount Range being referred to as the "**Applicable Discount**") which yields a Discounted Term Loan Prepayment in an aggregate principal amount equal to the lower of (I) the Discount Range Prepayment Amount and (II) the sum of all Submitted Amounts. Each Lender that has submitted a Discount Range Prepayment Offer to accept prepayment at a discount to par that is larger than or equal to the Applicable Discount shall be deemed to have irrevocably consented to prepayment of Term Loans equal to its Submitted Amount (subject to any required proration pursuant to the following subsection (3)) at the Applicable Discount (each such Lender, a "**Participating Lender**").

(3) If there is at least one Participating Lender, the Borrower will prepay the respective outstanding Term Loans of each Participating Lender in the aggregate principal amount and of the tranches specified in such Lender's Discount Range Prepayment Offer at the Applicable Discount; *provided* that if the Submitted Amount by all Participating Lenders offered at a discount to par greater than the Applicable Discount exceeds the Discount Range Prepayment Amount, prepayment of the principal amount of the relevant Term Loans for those Participating Lenders whose Submitted Discount is a discount to par greater than or equal to the Applicable Discount (the "**Identified Participating Lenders**") shall be made pro-rata among the Identified Participating Lenders in accordance with the Submitted Amount of each such Identified Participating Lender and the Auction Agent (in consultation with the Borrower and subject to rounding requirements of the Auction Agent made in its sole reasonable discretion) will calculate such proration (the "**Discount Range Proration**"). The Auction Agent shall promptly, and in any case within five (5) Business Days following the Discount Range Prepayment Response Date, notify (I) the Borrower of the respective Term Lenders' responses to such solicitation, the Discounted Prepayment Effective Date, the Applicable Discount, and the aggregate principal amount of the Discounted Term Loan Prepayment and the tranches to be prepaid, (II) each Term Lender of the Discounted Prepayment Effective Date, the Applicable Discount, and the aggregate principal amount and tranches of Term Loans to be prepaid at the Applicable Discount on such date, (III) each Participating Lender of the aggregate principal amount and tranches of

such Lender to be prepaid at the Applicable Discount on such date, and (IV) if applicable, each Identified Participating Lender of the Discount Range Proration. Each determination by the Auction Agent of the amounts stated in the foregoing notices to the Borrower and Lenders shall be conclusive and binding for all purposes absent manifest error. The payment amount specified in such notice to the Borrower shall be due and payable by such Borrower on the Discounted Prepayment Effective Date in accordance with subsection (F) below (subject to subsection (J) below).

(D) (1) Subject to the proviso to subsection (A) above, the Borrower may from time to time solicit Solicited Discounted Prepayment Offers by providing the Auction Agent with three (3) Business Days' notice in the form of a Solicited Discounted Prepayment Notice; *provided* that (I) any such solicitation shall be extended, at the sole discretion of the Borrower, to each Term Lender and/or each Lender with respect to any Class of Term Loans on an individual tranche basis, (II) any such notice shall specify the maximum aggregate dollar amount of the Term Loans (the "**Solicited Discounted Prepayment Amount**") and the tranche or tranches of Term Loans the Borrower is willing to prepay at a discount (it being understood that different Solicited Discounted Prepayment Amounts may be offered with respect to different tranches of Term Loans and, in such an event, each such offer will be treated as a separate offer pursuant to the terms of this Section 2.09), (III) the Solicited Discounted Prepayment Amount shall be in an aggregate amount not less than \$1,000,000 and whole increments of \$500,000 in excess thereof and (IV) each such solicitation by the Borrower shall remain outstanding through the Solicited Discounted Prepayment Response Date. The Auction Agent will promptly provide each relevant Term Lender with a copy of such Solicited Discounted Prepayment Notice and a form of the Solicited Discounted Prepayment Offer to be submitted by a responding Term Lender to the Auction Agent (or its delegate) by no later than 5:00 p.m., New York City time, on the third Business Day after the date of delivery of such notice to the relevant Term Lenders (the "**Solicited Discounted Prepayment Response Date**"). Each Term Lender's Solicited Discounted Prepayment Offer shall (x) be irrevocable, (y) remain outstanding until the Acceptance Date, and (z) specify both a discount to par (the "**Offered Discount**") at which such Term Lender is willing to allow prepayment of its then outstanding Term Loan and the maximum aggregate principal amount and tranches of such Term Loans (the "**Offered Amount**") such Lender is willing to have prepaid at the Offered Discount. Any Term Lender whose Solicited Discounted Prepayment Offer is not received by the Auction Agent by the Solicited Discounted Prepayment Response Date shall be deemed to have declined prepayment of any of its Term Loans at any discount.

(2) The Auction Agent shall promptly provide the Borrower with a copy of all Solicited Discounted Prepayment Offers received on or before the Solicited Discounted Prepayment Response Date. The Borrower shall review all such Solicited Discounted Prepayment Offers and select the largest of the Offered Discounts specified by the relevant responding Term Lenders in the Solicited Discounted Prepayment Offers that is acceptable to the Borrower (the "**Acceptable Discount**"), if any. If the Borrower elects to accept any

Offered Discount as the Acceptable Discount, then as soon as practicable after the determination of the Acceptable Discount, but in no event later than the third Business Day after the date of receipt by the Borrower from the Auction Agent of a copy of all Solicited Discounted Prepayment Offers pursuant to the first sentence of this subsection (2) (the “**Acceptance Date**”), the Borrower shall submit an Acceptance and Prepayment Notice to the Auction Agent setting forth the Acceptable Discount. If the Auction Agent shall fail to receive an Acceptance and Prepayment Notice from the Borrower by the Acceptance Date, the Borrower shall be deemed to have rejected all Solicited Discounted Prepayment Offers.

(3) Based upon the Acceptable Discount and the Solicited Discounted Prepayment Offers received by the Auction Agent by the Solicited Discounted Prepayment Response Date, within three (3) Business Days after receipt of an Acceptance and Prepayment Notice (the “**Discounted Prepayment Determination Date**”), the Auction Agent will determine (in consultation with the Borrower and subject to rounding requirements of the Auction Agent made in its sole reasonable discretion) the aggregate principal amount and the tranches of Term Loans (the “**Acceptable Prepayment Amount**”) to be prepaid by the Borrower at the Acceptable Discount in accordance with this Section 2.09(a)(ii)(D). If the Borrower elects to accept any Acceptable Discount, then the Borrower agrees to accept all Solicited Discounted Prepayment Offers received by Auction Agent by the Solicited Discounted Prepayment Response Date, in the order from largest Offered Discount to smallest Offered Discount, up to and including the Acceptable Discount. Each Lender that has submitted a Solicited Discounted Prepayment Offer with an Offered Discount that is greater than or equal to the Acceptable Discount shall be deemed to have irrevocably consented to prepayment of Term Loans equal to its Offered Amount (subject to any required pro-rata reduction pursuant to the following sentence) at the Acceptable Discount (each such Lender, a “**Qualifying Lender**”). The Borrower will prepay outstanding Term Loans pursuant to this subsection (D) to each Qualifying Lender in the aggregate principal amount and of the tranches specified in such Lender’s Solicited Discounted Prepayment Offer at the Acceptable Discount; *provided* that if the aggregate Offered Amount by all Qualifying Lenders whose Offered Discount is greater than or equal to the Acceptable Discount exceeds the Solicited Discounted Prepayment Amount, prepayment of the principal amount of the Term Loans for those Qualifying Lenders whose Offered Discount is greater than or equal to the Acceptable Discount (the “**Identified Qualifying Lenders**”) shall be made pro-rata among the Identified Qualifying Lenders in accordance with the Offered Amount of each such Identified Qualifying Lender and the Auction Agent (in consultation with the Borrower and subject to rounding requirements of the Auction Agent made in its sole reasonable discretion) will calculate such proration (the “**Solicited Discount Proration**”). On or prior to the Discounted Prepayment Determination Date, the Auction Agent shall promptly notify (I) the Borrower of the Discounted Prepayment Effective Date and Acceptable Prepayment Amount comprising the Discounted Term Loan Prepayment and the tranches to be prepaid, (II) each Term Lender of the Discounted Prepayment Effective Date, the Acceptable Discount, and the Acceptable Prepayment Amount of all Term Loans and the tranches to be prepaid at the Applicable Discount on such date, (III) each Qualifying Lender of the aggregate principal amount and the tranches of such Lender to be prepaid at the Acceptable Discount on such date, and (IV) if applicable, each Identified Qualifying Lender of the Solicited Discount Proration. Each determination by the Auction Agent of the amounts stated in the foregoing notices to such Borrower and Lenders shall be conclusive and binding for all purposes absent manifest error. The payment amount specified in such notice to such Borrower shall be due and payable by such Borrower

on the Discounted Prepayment Effective Date in accordance with subsection (F) below (subject to subsection (J) below).

(E) In connection with any Discounted Term Loan Prepayment, the Borrower and the Lenders acknowledge and agree that the Auction Agent may require as a condition to any Discounted Term Loan Prepayment, the payment of customary fees and expenses from the Borrower in connection therewith.

(F) If any Term Loan is to be prepaid in accordance with paragraphs (B) through (D) above, the Borrower shall prepay such Term Loans on the Discounted Prepayment Effective Date. The Borrower shall make such prepayment to the Auction Agent, for the account of the Discount Prepayment Accepting Lenders, Participating Lenders, or Qualifying Lenders, as applicable, at the Administrative Agent's office in immediately available funds not later than 11:00 a.m., New York City time, on the Discounted Prepayment Effective Date and all such prepayments shall be applied to the remaining principal installments of the relevant tranche of Term Loans on a pro rata basis across such installments. The Term Loans so prepaid shall be accompanied by all accrued and unpaid interest on the par principal amount so prepaid up to, but not including, the Discounted Prepayment Effective Date. Each prepayment of outstanding Term Loans pursuant to this Section 2.09(a)(ii) shall be paid to the Discount Prepayment Accepting Lenders, Participating Lenders, or Qualifying Lenders, as applicable. The aggregate principal amount of the tranches and installments of the relevant Term Loans outstanding shall be deemed reduced by the full par value of the aggregate principal amount of the tranches of Term Loans prepaid on the Discounted Prepayment Effective Date in any Discounted Term Loan Prepayment.

(G) To the extent not expressly provided for herein, each Discounted Term Loan Prepayment shall be consummated pursuant to procedures consistent with the provisions in this Section 2.09(a)(ii), established by the Auction Agent acting in its reasonable discretion and as reasonably agreed by the Borrower.

(H) Notwithstanding anything in any Loan Document to the contrary, for purposes of this Section 2.09(a)(ii), each notice or other communication required to be delivered or otherwise provided to the Auction Agent (or its delegate) shall be deemed to have been given upon Auction Agent's (or its delegate's) actual receipt during normal business hours of such notice or communication; *provided* that any notice or communication actually received outside of normal business hours shall be deemed to have been given as of the opening of business on the next Business Day.

(I) Each of the Borrower and the Lenders acknowledges and agrees that the Auction Agent may perform any and all of its duties under this Section 2.09(a)(ii) by itself or through any Affiliate of the Auction

Agent and expressly consents to any such delegation of duties by the Auction Agent to such Affiliate and the performance of such delegated duties by such Affiliate. The exculpatory provisions pursuant to this Agreement shall apply to each Affiliate of the Auction Agent and its respective activities in connection with any Discounted Term Loan Prepayment provided for in this Section 2.09(a)(ii) as well as activities of the Auction Agent.

(J) The Borrower shall have the right, by written notice to the Auction Agent, to revoke in full (but not in part) its offer to make a Discounted Term Loan Prepayment and rescind the applicable Specified Discount Prepayment Notice, Discount Range Prepayment Notice or Solicited Discounted Prepayment Notice therefor at its discretion at any time on or prior to the applicable Specified Discount Prepayment Response Date (and if such offer is revoked pursuant to the preceding clauses, any failure by the Borrower to make any prepayment to a Term Lender, as applicable, pursuant to this Section 2.09(a)(ii) shall not constitute a Default or Event of Default under Section 7.01 or otherwise).

(b) In the event and on each occasion that any Net Proceeds are received by or on behalf of Holdings, any Intermediate Parent, the Borrower or any of its Restricted Subsidiaries in respect of any Prepayment Event, the Borrower shall, within three Business Days after such Net Proceeds are received (or, in the case of a Prepayment Event described in clause (b) of the definition of the term “Prepayment Event,” on the date of such Prepayment Event), prepay Term Borrowings in an aggregate amount equal to 100% of the amount of such Net Proceeds; *provided that*, in the case of any event described in clause (a) of the definition of the term “Prepayment Event,” if the Borrower and its Restricted Subsidiaries invest (or commit with a Person that is not Holdings, an Intermediate Parent, the Borrower or a Subsidiary to invest) the Net Proceeds from such event (or a portion thereof) within 12 months after receipt of such Net Proceeds in the business of the Borrower and its Restricted Subsidiaries (including in any acquisitions permitted under Section 6.04 and in working capital or trading activities), then no prepayment shall be required pursuant to this paragraph (b) in respect of such Net Proceeds in respect of such event (or the applicable portion of such Net Proceeds, if applicable) except to the extent of any such Net Proceeds therefrom that have not been so invested (or committed to be invested) by the end of such 12-month period (or if committed to be so invested within such 12-month period, have not been so invested within 18 months after receipt thereof), at which time a prepayment shall be required in an amount equal to such Net Proceeds that have not been so invested (or committed to be invested).

(c) Commencing with the fiscal quarter of Holdings ending December 31, 2019, the Borrower shall prepay Term Borrowings in an aggregate amount equal to the ECF Percentage of Excess Cash Flow for such fiscal quarter; *provided* that such amount shall be reduced by the aggregate amount of prepayments of Term Loans made pursuant to Section 2.09(a)(i) during such period (excluding all such prepayments funded with the proceeds of other Indebtedness, the issuance of Equity Interests or receipt of capital contributions or the proceeds of any sale or other disposition of assets outside the ordinary course of business). Each prepayment pursuant to this paragraph (c) shall be made on or before the date that is five days after the date on which financial statements are required to be delivered pursuant to Section 5.01(b) with respect to the fiscal quarter for which Excess Cash Flow is being calculated (or, in the case of any prepayment with respect to the fourth fiscal quarter of any fiscal year, the date that is five days after the date on which financial statements are required to be delivered pursuant to Section 5.01(a) with respect to the fiscal year of which such quarter is the fourth fiscal quarter).

(d) Prior to any optional prepayment of Borrowings pursuant to Section 2.09(a)(i), the Borrower shall select the Borrowing or Borrowings to be prepaid and shall specify such selection in the notice of such prepayment pursuant to paragraph (e) of this Section 2.09. In the event of any mandatory prepayment of Term Borrowings made at a time when Term Borrowings of more than one Class remain outstanding, the Borrower shall select Term Borrowings to be prepaid so that the aggregate amount of such prepayment is allocated between Term Borrowings (and, to the extent provided in the Refinancing Amendment for any Class of Other Term Loans, the Borrowings of such Class) pro rata based on the aggregate principal amount of outstanding Borrowings of each such Class; *provided* that any Term Lender (and, to the extent provided in the Refinancing Amendment for any Class of Other Term Loans, any Lender that holds Other Term Loans of such Class) may elect, by notice to the Administrative Agent by telephone (confirmed by facsimile) at least one Business Day prior to the prepayment date, to decline all or any portion of any prepayment of its Term Loans or Other Term Loans of any such Class pursuant to this Section 2.09 (other than an optional prepayment pursuant to paragraph (a)(i) of this Section 2.09, which may not be declined), in which case the aggregate amount of the prepayment that would have been applied to prepay Term Loans or Other Term Loans of any such Class but was so declined shall be retained by the Borrower (such amounts, "Retained Declined Proceeds"). Optional prepayments of Term Borrowings shall be allocated among the Classes of Term

Borrowings as directed by the Borrower. In the absence of a designation by the Borrower as described in the preceding provisions of this paragraph (d) of the Type of Borrowing of any Class, the Administrative Agent shall make such designation in its reasonable discretion with a view, but no obligation, to minimize breakage costs owing under Section 2.14.

(e) The Borrower shall notify the Administrative Agent (and, in the case of prepayment of a Swingline Loan, the Swingline Lender) by telephone (confirmed by facsimile) of any prepayment hereunder (i) in the case of prepayment of a Eurodollar Borrowing, not later than 11:00 a.m., New York City time, three Business Days before the date of prepayment and (ii) in the case of prepayment of an ABR Borrowing, not later than 11:00 a.m., New York City time, one Business Day before the date of prepayment. Each such notice shall be irrevocable and shall specify the prepayment date and principal amount of each Borrowing or portion thereof to be prepaid and, in the case of a mandatory prepayment, a reasonably detailed calculation of the amount of such prepayment; *provided* that a notice of optional prepayment may state that such notice is conditional upon the effectiveness of other credit facilities or the receipt of the proceeds from the issuance of other Indebtedness or the occurrence of some other identifiable event or condition, in which case such notice of prepayment may be revoked by the Borrower (by notice to the Administrative Agent on or prior to the specified date of prepayment) if such condition is not satisfied. Promptly following receipt of any such notice (other than a notice relating solely to Swingline Loans), the Administrative Agent shall advise the Lenders of the contents thereof. Each partial prepayment of any Borrowing shall be in an amount that would be permitted in the case of an advance of a Borrowing of the same Type as provided in Section 2.02, except as necessary to apply fully the required amount of a mandatory prepayment. Each prepayment of a Borrowing shall be applied ratably to the Loans included in the prepaid Borrowing. Prepayments shall be accompanied by accrued interest to the extent required by Section 2.11.

(f) Notwithstanding any other provisions of Section 2.09(b) or (c), (A) to the extent that any of or all the Net Proceeds of any Prepayment Event by a Foreign Subsidiary giving rise to a prepayment pursuant to Section 2.09(b) (a “Foreign Prepayment Event”) or Excess Cash Flow attributable to a Foreign Subsidiary are prohibited or delayed by applicable local law from being repatriated to the Borrower, the portion of such Net Proceeds or Excess Cash Flow so affected will not be required to be applied to repay Term Loans at the times provided in Section 2.09(b)

or (c), as the case may be, and such amounts may be retained by the applicable Foreign Subsidiary so long, but only so long, as the applicable local law will not permit repatriation to the Borrower (Borrower hereby agreeing to cause the applicable Foreign Subsidiary to promptly take all actions reasonably required by the applicable local law to permit such repatriation), and once such repatriation of any of such affected Net Proceeds or Excess Cash Flow is permitted under the applicable local law, such Net Proceeds or Excess Cash Flow will be promptly (and in any event not later than three Business Days after any repatriation of such amounts) applied (net of additional taxes payable or reserved against as a result thereof) to the repayment of the Term Loans pursuant to Section 2.09(b) or (c), as applicable, and (B) to the extent that the Borrower has determined in good faith that repatriation of any of or all the Net Proceeds of any Foreign Prepayment Event or Foreign Subsidiary Excess Cash Flow would have a material adverse tax consequence (taking into account any foreign tax credit or benefit actually realized in connection with such repatriation) with respect to such Net Proceeds or Excess Cash Flow, the Net Proceeds or Excess Cash Flow so affected may be retained by the applicable Foreign Subsidiary; *provided* that in the case of this clause (B), on or before the date that is eighteen months after the date that such Net Proceeds are received (or, in the case of Excess Cash Flow, a date on or before the date that is eighteen months after the date such Excess Cash Flow would have so required to be applied to prepayments pursuant to Section 2.09(c) unless previously repatriated in which case such repatriated Excess Cash Flow shall have been promptly applied to the repayment of the Term Loans pursuant to Section 2.09(c)), (x) the Borrower applies an amount equal to such Net Proceeds or Excess Cash Flow to such reinvestments or prepayments as if such Net Proceeds or Excess Cash Flow had been received by the Borrower rather than such Foreign Subsidiary, less the amount of additional taxes that would have been payable or reserved against if such Net Proceeds or Excess Cash Flow had been repatriated (or, if less, the Net Proceeds or Excess Cash Flow that would be calculated if received by such Foreign Subsidiary) or (y) such Net Proceeds or Excess Cash Flow shall be applied to the repayment of Indebtedness of a Foreign Subsidiary.

(g) In the event and on each occasion that (i) the aggregate Revolving Exposures of any Class exceed the aggregate Revolving Commitments of such Class, the Borrower shall prepay Revolving Borrowings or Swingline Loans of such Class (or, if no such Borrowings are outstanding, deposit cash collateral in an account with the

Administrative Agent pursuant to Section 2.22) in an aggregate amount necessary to eliminate such excess.

(h) Additionally, notwithstanding anything else in this Agreement to the contrary, in the event that any Term Loan of any Lender would otherwise be repaid or prepaid from the proceeds of other Term Loans being funded on the date of such repayment or prepayment, if agreed to by the Borrower and such Lender and notified to the Administrative Agent prior to the date of the applicable repayment or prepayment, all or any portion of such Lender's Term Loan that would have otherwise been repaid or prepaid in connection therewith may be converted on a "cashless roll" basis into a new Term Loan of the applicable Class.

Section 2.10. Fees.

(a) The Borrower agrees to pay to the Administrative Agent and the Lead Arrangers, for their own respective accounts and the account of each applicable Lender, fees in the amounts and at the times set forth in the Fee Letter. Any upfront fees payable to a Term Lender in respect of its Initial Term Loan shall be paid out of the proceeds of such Term Lender's Initial Term Loan as and when funded on the Closing Date and shall be treated (and reported) by the Borrower and such Term Lender as a reduction in issue price of the Initial Term Loans for U.S. federal, state and local income tax purposes.

(b) The Borrower agrees to pay to the Administrative Agent for the account of each Revolving Lender a commitment fee, which shall accrue at the Commitment Fee Rate per annum on the average daily unused amount of the Revolving Commitment of such Lender during the Revolving Availability Period. Accrued commitment fees shall be payable in arrears on the third Business Day following the last day of March, June, September and December of each year and on the date on which the Revolving Commitments terminate, commencing on the first such date to occur after Closing Date. All commitment fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day). For purposes of computing commitment fees, a Revolving Commitment of a Lender shall be deemed to be used to the extent of the outstanding Revolving Loans and LC Exposure of such Lender, but not to the extent of the outstanding Swingline Loans or Swingline Exposure of such Lender.

(c) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Revolving Lender (other than any Defaulting Lender) a participation fee with respect to its participations in Letters of Credit, which shall accrue at the Applicable Rate used to determine the interest rate applicable to Eurodollar Revolving Loans on the daily amount of such Lender's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Closing Date to and including the later of the date on which such Lender's Revolving Commitment terminates and the date on which such Lender ceases to have any LC Exposure and (ii) to each Issuing Bank a fronting fee, which shall accrue at the rate of 0.125% per annum on the daily amount of the LC Exposure attributable to Letters of Credit issued by such Issuing Bank (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Closing Date to and including the later of the date of termination of the Revolving Commitments and the date on which there ceases to be any LC Exposure, as well as such Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees accrued through and including the last day of March, June, September and December of each year shall be payable on the third Business Day following such last day, commencing on the first such date to occur after the Closing Date; *provided* that all such fees shall be payable on the date on which the Revolving Commitments terminate and any such fees accruing after the date on which the Revolving Commitments terminate shall be payable on demand. Any other fees payable to an Issuing Bank pursuant to this paragraph (c) shall be payable within 10 days after demand. All participation fees and fronting fees shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(d) The Borrower agrees to pay to the Administrative Agent, for its own account, fees payable in the amounts and at the times separately agreed upon between the Borrower and the Administrative Agent.

(e) Notwithstanding the foregoing, and subject to Section 2.21, the Borrower shall not be obligated to pay any amounts to any Defaulting Lender pursuant to this Section 2.10.

Section 2.11. Interest.

(a) The Loans comprising each ABR Borrowing (including each Swingline Loan) shall bear interest at the Alternate Base Rate plus the Applicable Rate.

(b) The Loans comprising each Eurodollar Borrowing shall bear interest at the Adjusted LIBO Rate for the Interest Period in effect for such Borrowing plus the Applicable Rate.

(c) Notwithstanding the foregoing, if any principal of or interest on any Loan or any fee or other amount payable by the Borrower hereunder is not paid when due, whether at stated maturity, upon acceleration or otherwise, such overdue amount shall bear interest, after as well as before judgment, at a rate per annum equal to (i) in the case of overdue principal of any Loan, 2.00% per annum plus the rate otherwise applicable to such Loan as provided in the preceding paragraphs of this Section 2.11 or (ii) in the case of any other amount, 2.00% per annum plus the rate applicable to ABR Term Loans as provided in paragraph (a) of this Section; *provided* that no amount shall be payable pursuant to this Section 2.11(c) to a Defaulting Lender so long as such Lender shall be a Defaulting Lender; *provided, further*, that no amounts shall accrue pursuant to this Section 2.11(c) on any overdue amount, reimbursement obligation in respect of any LC Disbursement or other amount payable to a Defaulting Lender so long as such Lender shall be a Defaulting Lender.

(d) Accrued interest on each Loan shall be payable in arrears on each Interest Payment Date for such Loan and, in the case of Revolving Loans, upon termination of the Revolving Commitments, *provided* that (i) interest accrued pursuant to paragraph (c) of this Section 2.11 shall be payable on demand, (ii) in the event of any repayment or prepayment of any Loan (other than a prepayment of an ABR Revolving Loan prior to the end of the Revolving Availability Period), accrued interest on the principal amount repaid or prepaid shall be payable on the date of such repayment or prepayment and (iii) in the event of any conversion of any Eurodollar Loan prior to the end of the current Interest Period therefor, accrued interest on such Loan shall be payable on the effective date of such conversion.

(e) All interest hereunder shall be computed on the basis of a year of 360 days, except that interest computed by reference to the Alternate Base Rate shall be computed on the basis of a year of 365 days (or 366 days in a leap year), and in each case shall be payable for the actual

number of days elapsed (including the first day but excluding the last day). The applicable Alternate Base Rate or Adjusted LIBO Rate shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

Section 2.12. Alternate Rate of Interest.

(a) If prior to the commencement of any Interest Period for a Eurodollar Borrowing:

(i) the Administrative Agent determines (which determination shall be conclusive absent manifest error) that adequate and reasonable means do not exist for ascertaining the Adjusted LIBO Rate or the LIBO Rate, as applicable (including, without limitation, because the LIBO Screen Rate is not available or published on a current basis) for such Interest Period; provided that no Benchmark Transition Event shall have occurred at such time; or

(ii) the Administrative Agent is advised by the Required Lenders that the Adjusted LIBO Rate or the LIBO Rate, as applicable, for such Interest Period will not adequately and fairly reflect the cost to such Lenders of making or maintaining their Loans included in such Borrowing for such Interest Period;

then the Administrative Agent shall give notice thereof to the Borrower and the Lenders by telephone or facsimile as promptly as practicable thereafter and, until the Administrative Agent notifies the Borrower and the Lenders that the circumstances giving rise to such notice no longer exist, (i) any Interest Election Request that requests the conversion of any Borrowing to, or continuation of any Borrowing as, a Eurodollar Borrowing shall be ineffective and (ii) if any Borrowing Request requests a Eurodollar Borrowing, then such Borrowing shall be made as an ABR Borrowing; *provided, however*, that, in each case, the Borrower may revoke any Borrowing Request that is pending when such notice is received.

(b) Notwithstanding anything to the contrary herein or in any other Loan Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, the Administrative Agent and the Borrower may amend this Agreement to replace the LIBO Rate with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after the Administrative Agent has posted such proposed amendment to all Lenders and the Borrower, so long as the Administrative Agent has not received, by such time, written notice of objection to such proposed amendment from Lenders comprising the Required Lenders of each Class; provided that, with respect to any proposed amendment containing any SOFR-Based Rate, the Lenders shall be entitled to object only to the Benchmark Replacement Adjustment contained therein. Any such amendment with respect to an

Early Opt-in Election will become effective on the date that Lenders comprising the Required Lenders of each Class have delivered to the Administrative Agent written notice that such Required Lenders accept such amendment. No replacement of LIBO Rate with a Benchmark Replacement will occur prior to the applicable Benchmark Transition Start Date.

(bc) ~~If at any time~~In connection with the implementation of a Benchmark Replacement, the Administrative Agent determines (which determination shall be conclusive absent manifest error) that (i) the circumstances set forth in clause (a)(i) have arisen and such circumstances are unlikely to be temporary or (ii) the circumstances set forth in clause (a)(i) have not arisen but the supervisor for the administrator of the LIBO Screen Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which the LIBO Screen Rate shall no longer be used for determining interest rates for loans, then the Administrative Agent and the Borrower shall endeavor to establish an alternate rate of interest to the LIBO Rate that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time, and shall enter into an amendment to this Agreement to reflect such alternate rate of interest and such other related changes to this Agreement as may be applicable (but for the avoidance of doubt, such related changes shall not include a reduction of the Applicable Rate). Notwithstanding anything to the contrary in Section 9.02, such amendment shallwill have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement ~~so long as the Administrative Agent shall not have received, within five Business Days after the date on which notice of such alternate rate of interest is provided to the Lenders, a written notice from the Majority in Interest of Lenders of each Class stating that such Majority in Interest of Lenders object to such amendment. Until an alternate rate of interest shall be determined in accordance with this clause (b) (but, in the case of the circumstances described in clause (ii) of the first sentence of this Section 2.12,~~

(d) The Administrative Agent will promptly notify the Borrower and the Lenders of (i) any occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, (ii) the implementation of any

Benchmark Replacement, (iii) the effectiveness of any Benchmark Replacement Conforming Changes and (iv) the commencement or conclusion of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or Lenders pursuant to this Section 2.12, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.12.

~~(b), only to the extent the LIBO Screen Rate for such Interest Period is not available or published at such time on a current basis)e~~ Upon Borrower's receipt of notice of the commencement of a Benchmark Unavailability Period, ~~(*)~~ any Interest Election Request that requests the conversion of ~~any Borrowing~~ a Revolving Borrower to, or continuation of any Revolving Borrowing as, a Eurodollar Borrowing shall be ineffective and ~~(y)~~ if any ~~Borrowing~~ Borrower Request requests a Eurodollar Revolving Borrowing, ~~then~~ such Borrowing shall be made as an ABR Borrowing; ~~provided that, if such alternate rate of interest shall be less than zero, such rate shall be deemed to be zero for the purposes of this Agreement.~~

Section 2.13. Increased Costs.

(a) If any Change in Law shall:

(i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended by, any Lender or any Issuing Bank (except any such reserve requirement reflected in the Adjusted LIBO Rate); or

(ii) impose on any Lender or any Issuing Bank or the London interbank market any other condition, cost or expense affecting this Agreement or Eurodollar Loans made by such Lender or any Letter of Credit or participation therein;

and the result of any of the foregoing shall be to increase the cost to such Lender of making or maintaining any Eurodollar Loan (or of maintaining its obligation to make any such Loan or to increase the cost of such Lender or Issuing Bank of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or issue any Letter of Credit) or to reduce the amount of any sum received or receivable by such Lender or Issuing Bank hereunder (whether of principal, interest or otherwise), then, from time to time upon request of such Lender or Issuing Bank, the Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will

compensate such Lender or Issuing Bank, as the case may be, for such increased costs actually incurred or reduction actually suffered. Notwithstanding the foregoing, this paragraph will not apply to any such increased costs or reductions resulting from Taxes as to which Section 2.15 shall govern.

(b) If any Lender or Issuing Bank determines that any Change in Law regarding capital requirements has the effect of reducing the rate of return on such Lender's or Issuing Bank's capital or on the capital of such Lender's or Issuing Bank's holding company, if any, as a consequence of this Agreement or the Loans made by, or participations in Letters of Credit or Swingline Loans held by such Lender, or the Letters of Credit issued by such Issuing Bank, to a level below that which such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or Issuing Bank's policies and the policies of such Lender's or Issuing Bank's holding company with respect to capital adequacy), then, from time to time upon request of such Lender or Issuing Bank, the Borrower will pay to such Lender or Issuing Bank, as the case may be, such additional amount or amounts as will compensate such Lender or Issuing Bank or such Lender's or Issuing Bank's holding company for any such reduction actually suffered.

(c) A certificate of a Lender or an Issuing Bank setting forth the amount or amounts necessary to compensate such Lender or Issuing Bank or its holding company in reasonable detail, as the case may be, as specified in paragraph (a) or (b) of this Section 2.13 delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender or Issuing Bank, as the case may be, the amount shown as due on any such certificate within 15 days after receipt thereof.

(d) Failure or delay on the part of any Lender or Issuing Bank to demand compensation pursuant to this Section 2.13 shall not constitute a waiver of such Lender's or Issuing Bank's right to demand such compensation, *provided that* the Borrower shall not be required to compensate a Lender or Issuing Bank pursuant to this Section 2.13 for any increased costs incurred or reductions suffered more than 180 days prior to the date that such Lender or Issuing Bank, as the case may be, notifies the Borrower of the Change in Law giving rise to such increased costs or reductions and of such Lender's or Issuing Bank's intention to claim compensation therefor; *provided, further,* that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 180-day period referred to above shall be extended to include the period of retroactive effect thereof.

Section 2.14. Break Funding Payments. In the event of (a) the payment of any principal of any Eurodollar Loan other than on the last day of an Interest Period applicable thereto (including as a result of an Event of Default), (b) the conversion of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto, (c) the failure to borrow, convert, continue or prepay any Loan on the date specified in any notice delivered pursuant hereto (regardless of whether such notice may be revoked under Section 2.09(e) and is revoked in accordance therewith) or (d) the assignment of any Eurodollar Loan other than on the last day of the Interest Period applicable thereto as a result of a request by the Borrower pursuant to Section 2.17 or Section 9.02(c), then, in any such event, the Borrower shall, after receipt of a written request by any Lender affected by any such event (which request shall set forth in reasonable detail the basis for requesting such amount), compensate each Lender for the loss, cost and expense attributable to such event. In the case of a Eurodollar Loan, such loss, cost or expense to any Lender shall be deemed to be the amount determined by such Lender (it being understood that the deemed amount shall not exceed the actual amount) to be the excess, if any, of (i) the amount of interest that would have accrued on the principal amount of such Loan had such event not occurred, at the Adjusted LIBO Rate that would have been applicable to such Loan, for the period from the date of such event to the last day of the then current Interest Period therefor (or, in the case of a failure to borrow, convert or continue a Eurodollar Loan, for the period that would have been the Interest Period for such Loan), over (ii) the amount of interest that would accrue on such principal amount for such period at the interest rate which such Lender would bid were it to bid, at the commencement of such period, for deposits in Dollars of a comparable amount and period from other banks in the Eurodollar market. A certificate of any Lender setting forth any amount or amounts that such Lender is entitled to receive pursuant to this Section delivered to the Borrower shall be conclusive absent manifest error. The Borrower shall pay such Lender the amount shown as due on any such certificate within 15 days after receipt of such demand. Notwithstanding the foregoing, this Section 2.14 will not apply to losses, costs or expenses resulting from Taxes as to which Section 2.15 shall govern.

Section 2.15. Taxes.

(a) Any and all payments by or on account of any obligation of any Loan Party under any Loan Document shall be made free and clear of and without deduction for any Indemnified Taxes or Other Taxes, provided that if the applicable withholding agent shall be required by applicable Requirements of Law (as determined in the good faith discretion of the applicable withholding agent) to deduct any Indemnified Taxes or Other Taxes from such payments, then (i) the amount payable by the applicable Loan Party shall be increased as necessary so that after all required deductions have been made (including deductions applicable to additional amounts payable under this Section 2.15) the applicable Lender (or, in the case of any amount received by the Administrative Agent for its own account, the Administrative Agent) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the applicable withholding agent shall make such deductions

and (iii) the applicable withholding agent shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable Requirements of Law.

(b) Without limiting the provisions of paragraph (a) above, the Borrower shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with Requirements of Law.

(c) The Borrower shall indemnify the Administrative Agent and each Lender, within 30 days after written demand therefor, for the full amount of any Indemnified Taxes payable by the Administrative Agent or such Lender, as the case may be, on or with respect to any payment by or on account of any obligation of any Loan Party under any Loan Document and any Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 2.15) and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate setting forth in reasonable detail the basis and calculation of the amount of such payment or liability delivered to the Borrower by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(d) As soon as practicable after any payment of Indemnified Taxes or Other Taxes by a Loan Party to a Governmental Authority, 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.

(e) Each Lender shall, at such times as are reasonably requested by Borrower or the Administrative Agent, provide Borrower and the Administrative Agent with any properly completed and executed documentation prescribed by applicable Requirements of Law, or reasonably requested by Borrower or the Administrative Agent, certifying as to any entitlement of such Lender to an exemption from, or reduction in, any withholding Tax with respect to any payments to be made to such Lender under the Loan Documents (including, in the case of a Lender seeking exemption from the withholding imposed under FATCA, any documentation necessary to prevent such withholding).

Each such Lender shall, whenever a lapse in time or change in circumstances renders such documentation expired, obsolete or inaccurate in any material respect, deliver promptly to Borrower and the Administrative Agent updated or other appropriate documentation (including any new documentation reasonably requested by the applicable withholding agent) or promptly notify Borrower and the Administrative Agent of its inability to do so. Unless the applicable withholding agent has received forms or other documents satisfactory to it indicating that payments under any Loan Document to or for a Lender are not subject to withholding tax or are subject to such Tax at a rate reduced by an applicable tax treaty, Borrower, Administrative Agent or other applicable withholding agent shall withhold amounts required to be withheld by applicable Requirements of Law from such payments at the applicable statutory rate.

Without limiting the generality of the foregoing:

(i) Each Lender that is a United States person (as defined in Section 7701(a)(30) of the Code) shall deliver to Borrower and the Administrative Agent on or before the date on which it becomes a party to this Agreement two properly completed and duly signed original copies of Internal Revenue Service Form W-9 (or any successor form) certifying that such Lender is exempt from U.S. federal backup withholding.

(ii) Each Lender that is not a United States person (as defined in Section 7701(a)(30) of the Code) shall deliver to Borrower and the Administrative Agent on or before the date on which it becomes a party to this Agreement (and from time to time thereafter when required by any Requirements of Law or upon the reasonable request of Borrower or the Administrative Agent) whichever of the following is applicable:

(A) two duly completed copies of Internal Revenue Service Form W-8BEN or W-8BEN-E (or any successor forms) claiming eligibility for benefits of an income tax treaty to which the United States of America is a party,

(B) two duly completed copies of Internal Revenue Service Form W-8ECI (or any successor forms),

(C) in the case of a Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate, in substantially the form of Exhibit P (any such certificate a “**United States Tax Compliance Certificate**”), or any other form approved by the Administrative Agent, to the effect that such Lender is not (1) a “bank” within the meaning of Section 881(c)(3)(A) of the Code, (2) a “10 percent shareholder” of a Borrower within the meaning of Section 881(c)(3)(B) of the Code, or (3) a “controlled foreign corporation” described in

Section 881(c)(3)(C) of the Code, and that no payments in connection with the Loan Documents are effectively connected with such Lender's conduct of a U.S. trade or business and (y) two duly completed copies of Internal Revenue Service Form W-8BEN-E (or any successor forms),

(D) to the extent a Lender is not the beneficial owner (for example, where the Lender is a partnership, or is a Participant holding a participation granted by a participating Lender), Internal Revenue Service Form W-8IMY (or any successor forms) of the Lender, accompanied by a Form W-8ECI, W-8BEN or W-8BEN-E, United States Tax Compliance Certificate, Form W-9, Form W-8IMY (or other successor forms) or any other required information from each beneficial owner, as applicable (*provided* that, if the Lender is a partnership (and not a participating Lender) and one or more beneficial owners are claiming the portfolio interest exemption, the United States Tax Compliance Certificate shall be provided by such Lender on behalf of such beneficial owner(s)), or

(E) any other form prescribed by applicable Requirements of 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 Requirements of Law to permit Borrower and the Administrative Agent to determine the withholding or deduction required to be made.

Each Lender shall, from time to time after the initial delivery by such Lender of the forms described above, whenever a lapse in time or change in such Lender's circumstances renders such forms, certificates or other evidence so delivered expired, obsolete or inaccurate, promptly (1) deliver to the Borrower and the Administrative Agent (in such number of copies as shall be requested by the recipient) renewals, amendments or additional or successor forms, properly completed and duly executed by such Lender, together with any other certificate or statement of exemption required in order to confirm or establish such Lender's status or that such Lender is entitled to an exemption from or reduction in U.S. federal withholding tax or (2) notify Administrative Agent and Borrower of its inability to deliver any such forms, certificates or other evidence.

Notwithstanding any other provision of this clause (e), a Lender shall not be required to deliver any form that such Lender is not legally eligible to deliver.

Each Lender hereby authorizes the Administrative Agent to deliver to the Loan Parties and to any successor Administrative Agent any documentation provided by such Lender to the Administrative Agent pursuant to this clause (e).

(f) If the Borrower determines in good faith that a reasonable basis exists for contesting any taxes for which indemnification has been demanded hereunder, the Administrative Agent or the relevant Lender, as applicable, shall cooperate with the Borrower in a reasonable challenge of such taxes if so requested by the Borrower, *provided that* (a) the Administrative Agent or such Lender determines in its reasonable

discretion that it would not be prejudiced by cooperating in such challenge, (b) the Borrower pays all related expenses of the Administrative Agent or such Lender, as applicable and (c) the Borrower indemnifies the Administrative Agent or such Lender, as applicable, for any liabilities or other costs incurred by such party in connection with such challenge. The Administrative Agent or a Lender shall claim any refund that it determines is reasonably available to it, unless it concludes in its reasonable discretion that it would be adversely affected by making such a claim. If the Administrative Agent or a Lender determines, in its reasonable discretion, that it has received a refund of any Indemnified Taxes or Other Taxes as to which it has been indemnified by the Borrower or with respect to which the Borrower has paid additional amounts pursuant to this Section 2.15, it shall pay over such refund to the Borrower (but only to the extent of indemnity payments made, or additional amounts paid, by the Borrower under this Section 2.15 with respect to the Indemnified Taxes or Other Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of the Administrative Agent or such Lender and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund), *provided* that the Borrower, upon the request of the Administrative Agent or such Lender, agrees promptly to repay the amount paid over to the Borrower (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) to the Administrative Agent or such Lender in the event the Administrative Agent or such Lender is required to repay such refund to such Governmental Authority. The Administrative Agent or such Lender, as the case may be, shall, at the Borrower's request, provide the Borrower with a copy of any notice of assessment or other evidence of the requirement to repay such refund received from the relevant taxing authority (*provided* that the Administrative Agent or such Lender may delete any information therein that the Administrative Agent or such Lender deems confidential). Notwithstanding anything to the contrary, this Section 2.15 shall not be construed to require the Administrative Agent or any Lender to make available its tax returns (or any other information relating to taxes which it deems confidential).

(g) The agreements in this Section 2.15 shall survive the termination of this Agreement and the payment of the Loans and all other amounts payable hereunder.

(h) For purposes of this Section 2.15, the term "Lender" shall include any Issuing Bank and the Swingline Lender.

Section 2.16. Payments Generally; Pro Rata Treatment; Sharing of Setoffs.

(a) The Borrower shall make each payment required to be made by it under any Loan Document (whether of principal, interest, fees or reimbursement of LC Disbursements, or of amounts payable under Section 2.13, 2.14 or 2.15, or otherwise) prior to the time expressly required hereunder or under such other Loan Document for such payment (or, if no such time is expressly required, prior to 2:00 p.m., New York City time), on the date when due, in immediately available funds, without condition or deduction for any counterclaim, recoupment or setoff. Any amounts received after such time on any date may, in the discretion of the Administrative Agent, be deemed to have been received on the next succeeding Business Day for purposes of calculating interest thereon. All such payments shall be made to such account as may be specified by the Administrative Agent, except payments to be made directly to any Issuing Bank or the Swingline Lender shall be made as expressly provided herein and except that payments pursuant to Sections 2.13, 2.14, 2.15 and 9.03 shall be made directly to the Persons entitled thereto and payments pursuant to other Loan Documents shall be made to the Persons specified therein. The Administrative Agent shall distribute any such payments received by it for the account of any other Person to the appropriate recipient promptly following receipt thereof. If any payment (other than payments on the Eurodollar Loans) under any Loan Document shall be due on a day that is not a Business Day, the date for payment shall be extended to the next succeeding Business Day. If any payment on a Eurodollar Loan becomes due and payable on a day other than a Business Day, the maturity thereof shall be extended to the next succeeding Business Day unless the result of such extension would be to extend such payment into another calendar month, in which event such payment shall be made on the immediately preceding Business Day. In the case of any payment of principal pursuant to the preceding two sentences, interest thereon shall be payable at the then applicable rate for the period of such extension. All payments under each Loan Document shall be made in dollars.

(b) If at any time insufficient funds are received by and available to the Administrative Agent to pay fully all amounts of principal, unreimbursed LC Disbursements, interest and fees then due hereunder, such funds shall be applied *first*, towards payment of interest and fees then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of interest and fees then due to such parties,

and *second*, towards payment of principal and unreimbursed LC Disbursements then due hereunder, ratably among the parties entitled thereto in accordance with the amounts of principal and unreimbursed LC Disbursements then due to such parties.

(c) If any Lender shall, by exercising any right of setoff or counterclaim or otherwise, obtain payment in respect of any principal of or interest on any Class of its Loans or participations in LC Disbursements or Swingline Loans resulting in such Lender receiving payment of a greater proportion of the aggregate amount of its Loans of such Class and participations in LC Disbursements and Swingline Loans and accrued interest thereon than the proportion received by any other Lender, then the Lender receiving such greater proportion shall purchase (for cash at face value) participations in the Loans of such Class and participations in LC Disbursements and Swingline Loans of other Lenders to the extent necessary so that the benefit of all such payments shall be shared by the Lenders ratably in accordance with the aggregate amount of principal of and accrued interest on their respective Loans of such Class and participations in LC Disbursements and Swingline Loans; *provided* that (i) if any such participations are purchased and all or any portion of the payment giving rise thereto is recovered, such participations shall be rescinded and the purchase price restored to the extent of such recovery, without interest and (ii) the provisions of this paragraph (c) shall not be construed to apply to (A) any payment made by the Borrower pursuant to and in accordance with the express terms of this Agreement (including the application of funds arising from the existence of a Defaulting Lender), (B) any payment obtained by a Lender as consideration for the assignment of or sale of a participation in any of its Loans or participations in LC Disbursements or Swingline Loans to any assignee or participant or (C) any disproportionate payment obtained by a Lender of any Class as a result of the extension by Lenders of the maturity date or expiration date of some but not all Loans or Revolving Commitments of that Class or any increase in the Applicable Rate in respect of Loans of Lenders that have consented to any such extension. The Borrower consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against the Borrower rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of the Borrower in the amount of such participation.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the

Administrative Agent for the account of the Lenders or the Issuing Banks 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, in reliance upon such assumption and in its sole discretion, distribute to the Lenders or Issuing Banks, as the case may be, the amount due. In such event, if the Borrower has not in fact made such payment, then each of the Lenders or Issuing Banks, as the case may be, severally agrees to repay to the Administrative Agent forthwith on demand the amount so distributed to such Lender or Issuing Bank 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 Effective Rate and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation.

(e) If any Lender shall fail to make any payment required to be made by it pursuant to Section 2.04(a) or Section 2.04(b), Section 2.16(d), Section 2.22(c) or Section 2.22(d), Section 2.23(c) or Section 9.03(c), then the Administrative Agent may, in its discretion and in the order determined by the Administrative Agent (notwithstanding any contrary provision hereof), (i) apply any amounts thereafter received by the Administrative Agent for the account of such Lender to satisfy such Lender's obligations under such Section until all such unsatisfied obligations are fully paid and/or (ii) hold any such amounts in a segregated account as cash collateral for, and to be applied to, any future funding obligations of such Lender under any such Section.

Section 2.17. Mitigation Obligations; Replacement of Lenders.

(a) If any Lender requests compensation under Section 2.13, or if the Borrower is required to pay any additional amount to any Lender or any Governmental Authority for the account of any Lender pursuant to Section 2.15 or any event gives rise to the operation of Section 2.20, then such Lender shall use reasonable efforts to designate a different lending office for funding or booking its Loans hereunder or its participation in any Letter of Credit affected by such event, or to assign and delegate its rights and obligations hereunder to another of its offices, branches or Affiliates, if, in the judgment of such Lender, such designation or assignment and delegation (i) would eliminate or reduce amounts payable pursuant to Section 2.13 or 2.15 or mitigate the applicability of Section 2.20, as the case may be, and (ii) would not subject such Lender

to any unreimbursed cost or expense reasonably deemed by such Lender to be material and would not be inconsistent with the internal policies of, or otherwise be disadvantageous in any material economic, legal or regulatory respect to, such Lender.

(b) If (i) any Lender requests compensation under Section 2.13 or gives notice under Section 2.20, (ii) the Borrower is required to pay any additional amount to any Lender or to any Governmental Authority for the account of any Lender pursuant to Section 2.15 or (iii) any Lender is a Defaulting Lender, then the Borrower may, at its sole expense and effort, upon notice to such Lender and the Administrative Agent, require such Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement and the other Loan Documents to an Eligible Assignee that shall assume such obligations (which assignee may be another Lender, if a Lender accepts such assignment and delegation); *provided* that (A) the Borrower shall have received the prior written consent of the Administrative Agent to the extent such consent would be required under Section 9.04(b) for an assignment of Loans or Commitments, as applicable (and if a Revolving Commitment is being assigned and delegated, each Issuing Bank and each Swingline Lender), which consents, in each case, shall not unreasonably be withheld or delayed, (B) such Lender shall have received payment of an amount equal to the outstanding principal of its Loans and unreimbursed participations in LC Disbursements and Swingline Loans, accrued but unpaid interest thereon, accrued but unpaid fees and all other amounts payable to it hereunder 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), (C) the Borrower or such assignee shall have paid (unless waived) to the Administrative Agent the processing and recordation fee specified in Section 9.04(b)(ii) and (D) in the case of any such assignment resulting from a claim for compensation under Section 2.13, or payments required to be made pursuant to Section 2.15 or a notice given under Section 2.20, such assignment will result in a material reduction in such compensation or payments. A Lender shall not be required to make any such assignment and delegation if, prior thereto, as a result of a waiver by such Lender or otherwise (including as a result of any action taken by such Lender under paragraph (a) above), the circumstances entitling the Borrower to require such assignment and delegation cease to apply. Each party hereto agrees that an assignment required pursuant to this paragraph may be effected pursuant to an Assignment and Assumption executed by the Borrower, the

Administrative Agent and the assignee and that the Lender required to make such assignment need not be a party thereto.

Section 2.18. Incremental Credit Extensions.

(a) (i) At any time and from time to time after the Closing Date, subject to the terms and conditions set forth herein, the Borrower may, by notice to the Administrative Agent (whereupon the Administrative Agent shall promptly make available such notice to each of the Lenders), request to effect one or more additional revolving credit facility tranches hereunder (or an increase of the Revolving Commitments hereunder) (“Incremental Revolving Facilities”) from Additional Revolving Lenders; *provided* that (A) at the time of each such request and upon the effectiveness of each Incremental Revolving Facility Amendment, no Default shall have occurred and be continuing or shall result therefrom (or, in the case of the incurrence or provision of any Incremental Revolving Facility in connection with a Limited Condition Acquisition, no Event of Default under Section 7.01(a), (b), (h) or (i) shall have occurred and be continuing or shall result therefrom), (B) the Borrower shall have delivered a certificate of a Financial Officer certifying as to clause (A) above and setting forth the applicable clause(s) of the definition of “Incremental Cap” utilized for such Incremental Revolving Facility, together with, to the extent utilizing clause (b) of the definition of “Incremental Cap,” reasonably detailed calculations demonstrating compliance with such clause (b) (which calculations shall, if made as of the last day of any fiscal quarter of the Borrower for which the Borrower has not delivered to the Administrative Agent the financial statements and Compliance Certificate required to be delivered by Section 5.01(a) or (b) and Section 5.01(d), respectively, be accompanied by a reasonably detailed calculation of Consolidated EBITDA or Consolidated Interest Expense, as applicable, for the relevant period), (C) such Incremental Revolving Facility (x) shall be secured solely by Collateral on a *pari passu* basis with or junior basis to the Initial Revolving Loans (*provided* that to the extent such Incremental Revolving Facility is secured by junior Liens, the applicable parties shall have entered into the Junior Lien Intercreditor Agreement) or shall otherwise be unsecured and (y) shall not be guaranteed by any Persons other than Loan Parties, (D) except as set forth in clause (F) below, the interest rate margins, rate floors, fees, premiums and maturity applicable to any Incremental Revolving Facility shall be determined by the Borrower and the Additional Revolving Lenders providing such Incremental Revolving Facility, *provided* that no Incremental Revolving Facility shall mature prior to the Revolving

Maturity Date or require any scheduled amortization or mandatory commitment reductions prior to the Revolving Maturity Date, (E) any Incremental Revolving Facility may be provided in any currency as mutually agreed among the Administrative Agent, the Borrower and the Additional Revolving Lenders, (F) in the case of an increase in the Revolving Commitments hereunder, the maturity date of such increase in the Revolving Commitment shall be the Revolving Maturity Date, such increase in the Revolving Commitment shall require no scheduled amortization or mandatory commitment reduction prior to the Revolving Maturity Date and shall be on the same terms governing the Revolving Commitments pursuant to this Agreement and (G) subject to the express requirements herein, any Incremental Revolving Facility Amendment shall be on the terms and pursuant to documentation to be determined by the Borrower and the Additional Revolving Lenders providing the applicable Incremental Revolving Facilities; *provided* that to the extent such terms and documentation are not consistent with this Agreement (except to the extent permitted by clause (D) or (E) above), they shall be reasonably satisfactory to the Administrative Agent; *provided, further*, that no Issuing Bank shall be required to act as “issuing bank” and no Swingline Lender shall be required to act as a “swingline lender” under any such Incremental Revolving Facility without its written consent. Each Incremental Revolving Facility shall be in a minimum principal amount of \$10,000,000 and integral multiples of \$1,000,000 in excess thereof; *provided* that such amount may be less than \$10,000,000 if such amount represents all the remaining availability under the Incremental Cap.

(ii) At any time and from time to time after the Closing Date, subject to the terms and conditions set forth herein, the Borrower may, by notice to the Administrative Agent (whereupon the Administrative Agent shall promptly make available such notice to each of the Lenders), request to effect one or more additional tranches of term loans hereunder or increases (so long as the interest rate margins, rate floors, fees, funding discounts and other terms of any such increase are identical to the Term Loans being increased) in the amount of Term Loans (“**Incremental Term Facilities**” and, together with any Incremental Revolving Facility, an “**Incremental Facility**”) from one or more Additional Term Lenders; *provided* that (A) at the time of each such request and upon the effectiveness of each Incremental Term Facility Amendment, no Default shall have occurred and be continuing or shall result therefrom (or, in the case of the incurrence or provision of any Incremental Term Facility in connection with a Limited Condition Acquisition, no Event of Default under Section 7.01(a), (b), (h) or (i) shall have occurred and be continuing or shall result therefrom), (B) the Borrower shall have delivered a certificate of a Financial Officer certifying as to clause (A) above and setting forth the applicable clause(s) of the definition of Incremental Cap utilized for such

Incremental Term Facility, together with, to the extent utilizing clause (b) of the definition of Incremental Cap, reasonably detailed calculations demonstrating compliance with such clause (b) (which calculations shall, if made as of the last day of any fiscal quarter of the Borrower for which the Borrower has not delivered to the Administrative Agent the financial statements and Compliance Certificate required to be delivered by Section 5.01(a) or (b) and Section 5.01(d), respectively, be accompanied by a reasonably detailed calculation of Consolidated EBITDA or Consolidated Interest Expense, as applicable, for the relevant period), (C) the maturity date of any Incremental Term Loans incurred pursuant to any Incremental Term Facility shall not be earlier than the Term Maturity Date and such Incremental Term Facility shall not have a Weighted Average Life to Maturity shorter than the Weighted Average Life to Maturity of the Term Loans), (D) the All-In Yield for any term loans incurred pursuant to any Incremental Term Facility shall be determined by the Borrower and the Additional Term Lenders; *provided* that in the event that the All-In Yield for such term loans is greater than the All-In Yield for the Initial Term Loans by more than 50 basis points, then the All-In Yield for the Initial Term Loans shall be increased to the extent necessary so that the All-In Yield is equal to the All-In Yield for such term loans incurred pursuant to such Incremental Term Facility minus 50 basis points; *provided, further*, that this clause (D) shall not be applicable to any Incremental Term Facility that is not secured by Liens on the Collateral on a *pari passu* basis with the Initial Term Loans; *provided, further*, that, in determining the All-In Yield applicable to the term loans incurred pursuant to such Incremental Term Facility and the Initial Term Loans (x) original issue discount (“**OID**”) or upfront fees (which shall be deemed to constitute like amounts of OID) payable by Borrower to the Term Lenders or any Additional Term Lenders in the initial primary syndication thereof shall be included (with OID being equated to interest based on assumed four-year life to maturity), (y) customary arrangement or commitment fees payable to the Lead Arrangers (or their respective affiliates) in connection with this Agreement or to one or more arrangers (or their affiliates) of any Incremental Term Facility shall be excluded and (z) if the Incremental Term Facility includes an interest rate floor greater than the interest rate floor applicable to the Initial Term Loans, such increased amount shall be equated to interest margin for purposes of determining whether an increase to the applicable interest margin for the Initial Term Loans shall be required, to the extent an increase in the interest rate floor in the Initial Term Loans would cause an increase in the interest rate then in effect, and in such case the interest rate floor (but not the interest rate margin) applicable to the relevant Existing Credit Agreement shall be increased by such amount as will result in the interest margin applicable to such Incremental Term Facility plus the interest rate floor applicable to such Incremental Term Facility (to the extent such floor is in excess of the three month LIBO Rate then applicable) being no greater than the interest rate floor (as so increased) plus the interest rate margin applicable to Initial Term Loans minus 50 basis points (this clause (D), the “**MFN Protections**”), (E) the Incremental Term Loans incurred pursuant to any Incremental Term Facility (x) shall be secured solely by the Collateral on a *pari passu* basis with or junior basis to the Initial Term Loans (*provided* that to the extent such Incremental Term Facility is secured by junior Liens the applicable parties shall have entered into the Junior Lien Intercreditor Agreement) and (y) shall not be guaranteed by any Persons other than Loan Parties, (F) any Incremental Term Facility may be provided in any currency as mutually agreed among the

Administrative Agent, the Borrower and the Additional Term Lenders and (G) subject to the express requirements herein, any Incremental Term Facility Amendment shall be on the terms and pursuant to documentation to be determined by the Borrower and the Additional Term Lenders providing the applicable Incremental Term Facilities; *provided* that to the extent such terms and documentation are not consistent with this Agreement (except to the extent permitted by clause (D), (E) or (F) above), they shall be reasonably satisfactory to the Administrative Agent. Each Incremental Term Facility shall be in a minimum principal amount of \$25,000,000 and integral multiples of \$1,000,000 in excess thereof; *provided* that such amount may be less than \$25,000,000 if such amount represents all the remaining availability under the Incremental Cap.

(iii) Notwithstanding anything to the contrary herein, no Incremental Facility may be established or incurred under this Section 2.18 in an amount that would exceed the Incremental Cap at the time of such establishment or incurrence. Notwithstanding anything herein to the contrary, no existing Lender will be required to participate in any Incremental Revolving Facility or Incremental Term Facility without its consent.

(b) (i) Each notice from the Borrower pursuant to this Section shall set forth the requested amount of the relevant Incremental Revolving Facility or Incremental Term Facility.

(ii) Commitments in respect of any Incremental Revolving Facility shall become Commitments under this Agreement pursuant to an amendment (an “**Incremental Revolving Facility Amendment**”) to this Agreement and, as appropriate, the other Loan Documents, executed by the Borrower, the applicable Additional Revolving Lenders and the Administrative Agent. Incremental Revolving Facilities may be provided, subject to the prior written consent of the Borrower (not to be unreasonably withheld), by any existing Lender (it being understood that no existing Lender shall have the right to participate in any Incremental Revolving Facility or, unless it agrees, be obligated to participate in any Incremental Revolving Facility) or by any Additional Revolving Lender. An Incremental Revolving Facility Amendment may, without the consent of any other Lenders, effect such amendments to any Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to effect the provisions of this Section (including to provide for the issuance of letters of credit and swingline loans thereunder and to provide for the treatment of defaulting lenders). Subject to Section 1.08, in the case of an Incremental Revolving Facility incurred to finance a Limited Condition Acquisition, the effectiveness of any Incremental Revolving Facility Amendment shall, unless otherwise agreed to by the Administrative Agent and the Additional Revolving Lenders, be subject to the satisfaction on the date thereof (each, an “**Incremental Revolving Facility Closing Date**”) of each of the conditions set forth in Section 4.02 (it being understood that all references to “the date of such Borrowing” (or other similar reference) in Section 4.02 shall be deemed to refer to the Incremental Revolving Facility Closing Date) and, to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of legal opinions, board resolutions, officers’ certificates and/or reaffirmation agreements consistent with those delivered on the Closing Date

under Section 4.01 (other than changes to such legal opinions resulting from a change in law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent).

(iii) Commitments in respect of any Incremental Term Facility shall become Commitments under this Agreement pursuant to an amendment (an "**Incremental Term Facility Amendment**") to this Agreement and, as appropriate, the other Loan Documents executed by the Borrower, the applicable Additional Term Lenders and the Administrative Agent. Incremental Term Facilities may be provided, subject to the prior written consent of the Borrower (not to be unreasonably withheld), by any existing Lender (it being understood that no existing Lender shall have any right to participate in any Incremental Term Facility or, unless it agrees, be obligated to provide any Incremental Term Facilities) or by any Additional Term Lender. An Incremental Term Facility Amendment may, without the consent of any other Lenders, effect such amendments to any Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent, to effect the provisions of this Section. Subject to Section 1.08 in the case of an Incremental Term Facility incurred to finance a Limited Condition Acquisition, the effectiveness of any Incremental Term Facility Amendment shall, unless otherwise agreed to by the Administrative Agent and the Additional Term Lenders, be subject to the satisfaction on the date thereof (each, an "**Incremental Term Facility Closing Date**") of each of the conditions set forth in Section 4.02 (it being understood that all references to "the date of such Borrowing" (or other similar reference) in Section 4.02 shall be deemed to refer to the Incremental Term Facility Closing Date) and, to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of legal opinions, board resolutions, officers' certificates and/or reaffirmation agreements consistent with those delivered on the Closing Date under Section 4.01 (other than changes to such legal opinions resulting from a change in law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent).

(c) (i) Upon each increase in the Revolving Commitments pursuant to this Section, each Revolving Lender immediately prior to such increase will automatically and without further act be deemed to have assigned to each Additional Revolving Lender providing a portion of such increase (each a "Revolving Commitment Increase Lender"), and each such Revolving Commitment Increase Lender will automatically and without further act be deemed to have assumed, a portion of such Revolving Lender's participations hereunder in outstanding Letters of Credit such that, after giving effect to such increase and each such deemed assignment and assumption of participations, the percentage of the aggregate outstanding participations hereunder in Letters of Credit held by each Revolving Lender (including each such Revolving Commitment Increase Lender) will equal such Revolving Lender's Applicable Percentage. If, on the date of such increase, there are any Revolving Loans outstanding, such Revolving Loans shall, upon the effectiveness of the

applicable Incremental Revolving Facility, be prepaid from the proceeds of Revolving Loans made under such Incremental Revolving Facility so that Revolving Loans are thereafter held by the Revolving Lenders according to their Applicable Percentage (after giving effect to the increase in Revolving Commitments), which prepayment shall be accompanied by accrued interest on the Revolving Loans being prepaid and any costs incurred by any Revolving Lender in accordance with Section 2.13. The Administrative Agent and the Lenders hereby agree that the minimum borrowing, pro rata borrowing, pro rata payment requirements and notice requirements contained elsewhere in this Agreement shall not apply to the transactions effected pursuant to the immediately preceding sentence.

(d) Upon each Incremental Term Facility Closing Date pursuant to this Section, each Additional Term Lender participating in the applicable Incremental Term Facility shall make an additional term loan to the Borrower in a principal amount equal to such Additional Term Lender's commitment in respect of such Incremental Term Facility. Any such term loan shall be a "Term Loan" for all purposes of this Agreement and the other Loan Documents.

(e) This Section 2.18 shall supersede any provisions in Section 2.16 or Section 9.02 to the contrary.

Section 2.19. Refinancing Amendments; Maturity Extension.

(a) At any time after the Closing Date, the Borrower may obtain, from any Lender or any Additional Lender, Credit Agreement Refinancing Indebtedness in respect of (a) all or any portion of the Term Loans (which for purposes of this sentence will be deemed to include any Incremental Term Loans or Other Term Loans) or (b) all or any portion of the Revolving Loans (or unused Revolving Commitments) then outstanding under this Agreement (which for purposes of this clause (b) will be deemed to include any then outstanding loans under any Incremental Revolving Facility, Incremental Revolving Commitments, Other Revolving Loans and Other Revolving Commitments), in the form of (x) Other Term Loans or Other Term Commitments or (y) Other Revolving Loans or Other Revolving Commitments, as the case may be, in each case pursuant to a Refinancing Amendment; *provided* that such Credit Agreement Refinancing Indebtedness (i) may be secured by Liens on the Collateral on a *pari passu* or junior basis with respect to the Liens

on the Collateral securing the other Loans and Commitments hereunder (*provided* that to the extent such term loans are secured by junior Liens the applicable parties shall have entered into a Junior Lien Intercreditor Agreement), (ii) will have such pricing and optional prepayment terms as may be agreed by the Borrower and the Lenders thereof (*provided* that such Credit Agreement Refinancing Indebtedness may participate on a pro rata basis or on a less than pro rata basis (but not on a greater than *pro rata* basis) in any voluntary or mandatory prepayments hereunder, as specified in the applicable Refinancing Amendment), (iii) (x) with respect to any Other Revolving Loans or Other Revolving Commitments, will have a maturity date that is not prior to the maturity date of the Revolving Loans (or unused Revolving Commitments) being refinanced and (y) with respect to any Other Term Loans or Other Term Commitments, will have a maturity date that is not prior to the maturity date of, and will have a Weighted Average Life to Maturity that is not shorter than, the Term Loans being refinanced, (iv) the proceeds of such Credit Agreement Refinancing Indebtedness shall be applied, substantially concurrently with the incurrence thereof, to the prepayment of outstanding Term Loans or reduction of the Revolving Commitments, the Other Revolving Commitments or the commitments under the Incremental Revolving Facility being so refinanced and (v) subject to clause (ii) above, will have terms and conditions that are substantially identical to, or less favorable (taken as a whole) to the investors providing such Credit Agreement Refinancing Indebtedness than, the Refinanced Debt; *provided, further*, that the terms and conditions applicable to such Credit Agreement Refinancing Indebtedness may provide for any additional or different financial or other covenants or other provisions that are agreed between the Borrower and the Lenders thereof and applicable only during periods after the Latest Maturity Date that is in effect on the date such Credit Agreement Refinancing Indebtedness is issued, incurred or obtained; *provided, further*, that in no event shall such Credit Agreement Refinancing Indebtedness be subject to the MFN Protections. The effectiveness of any Refinancing Amendment shall be subject to the satisfaction on the date thereof of each of the conditions set forth in Section 4.02 and, to the extent reasonably requested by the Administrative Agent, receipt by the Administrative Agent of legal opinions, board resolutions, officers' certificates and/or reaffirmation agreements consistent with those delivered on the Closing Date under Section 4.01 (other than changes to such legal opinions resulting from a change in law, change in fact or change to counsel's form of opinion reasonably satisfactory to the Administrative Agent). Each Class of

Credit Agreement Refinancing Indebtedness incurred under this Section 2.19 shall be in an aggregate principal amount that is (x) not less than \$25,000,000 in the case of Other Term Loans or \$5,000,000 in the case of Other Revolving Loans and (y) an integral multiple of \$1,000,000 in excess thereof in each case. Any Refinancing Amendment may provide for the issuance of Letters of Credit for the account of the Borrower, or the provision to the Borrower of Swingline Loans, pursuant to any Other Revolving Commitments established thereby, in each case, on terms substantially equivalent to the terms applicable to Letters of Credit and Swingline Loans under the Revolving Commitments; *provided* that no Issuing Bank or Swingline Lender shall be required to act as “issuing bank” or “swingline lender” under any such Refinancing Amendment without its written consent. The Administrative Agent shall promptly notify each Lender as to the effectiveness of each Refinancing Amendment. Each of the parties hereto hereby agrees that, upon the effectiveness of any Refinancing Amendment, this Agreement shall be deemed amended to the extent (but only to the extent) necessary to reflect the existence and terms of the Credit Agreement Refinancing Indebtedness incurred pursuant thereto (including any amendments necessary to treat the Loans and Commitments subject thereto as Other Revolving Loans, Other Term Loans, Other Revolving Commitments and/or Other Term Commitments). Any Refinancing Amendment may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the reasonable opinion of the Administrative Agent and the Borrower, to effect the provisions of this Section. In addition, if so provided in the relevant Refinancing Amendment and with the consent of each Issuing Bank, participations in Letters of Credit expiring on or after the Revolving Maturity Date shall be reallocated from Lenders holding Revolving Commitments to Lenders holding extended revolving commitments in accordance with the terms of such Refinancing Amendment; *provided, however*, that such participation interests shall, upon receipt thereof by the relevant Lenders holding Revolving Commitments, be deemed to be participation interests in respect of such Revolving Commitments and the terms of such participation interests (including, without limitation, the commission applicable thereto) shall be adjusted accordingly.

(b) At any time after the Closing Date, the Borrower and any Lender may agree, by notice to the Administrative Agent (each such notice, an “Extension Notice”), to extend the maturity date of such

Lender's Revolving Commitments and/or Term Loans to the extended maturity date specified in such Extension Notice.

(c) This Section 2.19 shall supersede any provisions in Section 2.16 or Section 9.02 to the contrary.

Section 2.20. Illegality. If any Lender determines that any law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Lender to make, maintain or fund Loans whose interest is determined by reference to the Adjusted LIBO Rate, or to determine or charge interest rates based upon the Adjusted LIBO Rate, then, on notice thereof by such Lender to the Borrower through the Administrative Agent, any obligation of such Lender to make or continue Eurodollar Loans or to convert ABR Loans to Eurodollar Loans shall be suspended, and if such notice asserts the illegality of such Lender making or maintaining ABR Loans the interest rate on which is determined by reference to the Adjusted LIBO Rate component of the Alternate Base Rate, the interest rate on such ABR Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Adjusted LIBO Rate component of the Alternate Base Rate, in each case until such Lender notifies the Administrative Agent and the Borrower that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice, (x) the Borrower shall, upon three Business Days' notice from such Lender (with a copy to the Administrative Agent), prepay or, if applicable, convert all Eurodollar Loans of such Lender to ABR Loans (the interest rate on which ABR Loans of such Lender shall, if necessary to avoid such illegality, be determined by the Administrative Agent without reference to the Adjusted LIBO Rate component of the Alternate Base Rate), either on the last day of the Interest Period therefor, if such Lender may lawfully continue to maintain such Eurodollar Loans to such day, or immediately, if such Lender may not lawfully continue to maintain such Eurodollar Loans, and (y) if such notice asserts the illegality of such Lender determining or charging interest rates based upon the Adjusted LIBO Rate, the Administrative Agent shall during the period of such suspension compute the Alternate Base Rate applicable to such Lender without reference to the Adjusted LIBO Rate component thereof until the Administrative Agent is advised in writing by such Lender that it is no longer illegal for such Lender to determine or charge interest rates based upon the Adjusted LIBO Rate. Each Lender agrees to notify the Administrative Agent and the Borrower in writing promptly upon becoming aware that it is no longer illegal for such Lender to determine or charge interest rates based upon the Adjusted LIBO Rate. Upon any such prepayment or conversion, the Borrower shall also pay accrued interest on the amount so prepaid or converted.

Section 2.21. Defaulting Lenders. Notwithstanding any provision of this Agreement to the contrary, if any Lender becomes a Defaulting Lender, then the following provisions shall apply for so long as such Lender is a Defaulting Lender:

(a) fees shall cease to accrue on the unfunded portion of the Revolving Commitment of such Defaulting Lender pursuant to Section 2.10(b) (it being understood, for the avoidance of doubt, that the Borrower shall have no obligation to retroactively pay such fees after such Lender ceases to be a Defaulting Lender);

(b) the Revolving Commitment and Revolving Exposure of such Defaulting Lender shall not be included in determining whether the Required Lenders or the Majority in Interest have taken or may take any action hereunder (including any consent to any amendment, waiver or other modification pursuant to Section 9.02); provided that this clause (b) shall not apply to the vote of a Defaulting Lender in the case of an amendment, waiver or other modification requiring the consent of such Lender or each Lender affected thereby;

(c) 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 Article 7 or otherwise) or received by the Administrative Agent from a Defaulting Lender pursuant to Article 8 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 or Event of 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 or Event of 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 such payment is a payment of the principal amount of any Loans or LC Disbursements in respect of which such Defaulting Lender has not fully funded its appropriate share, such payment shall be applied solely to pay the Loans of, and LC Disbursements owed to, all non-Defaulting Lenders on a pro rata basis prior to being applied to the payment of any Loans of, or LC Disbursements owed to, such Defaulting Lender until such time as all Loans are held by the Lenders pro rata in accordance with the Revolving Commitments. 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 or to post cash collateral pursuant to this Section 2.21(c) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto;

(d) if any Swingline Exposure or LC Exposure exists at the time such Lender becomes a Defaulting Lender then:

(i) all or any part of the Swingline Exposure and LC Exposure of such Defaulting Lender shall be reallocated among the non-Defaulting Lenders in accordance with their respective Applicable Percentage but only to the extent the sum of all non-Defaulting Lenders' Revolving Exposure plus such Defaulting Lender's LC Exposure does not exceed the total of all non-Defaulting Lenders' Revolving Commitments; *provided* that each such reallocation shall be given effect only if, at the date the applicable Lender becomes a Defaulting Lender, no Default or Event of Default exists;

(ii) if the reallocation described in clause (i) 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, within one Business Day following notice by the Administrative Agent (x) first, prepay such Swingline Exposure and (y) second, cash collateralize for the benefit of the applicable Issuing Bank only the Borrower's obligations corresponding to such Defaulting Lender's LC Exposure (after giving effect to any partial reallocation pursuant to clause (i) above) in accordance with the procedures set forth in Section 2.22 for so long as such LC Exposure is outstanding;

(iii) if the Borrower cash collateralizes any portion of such Defaulting Lender's LC Exposure pursuant to clause (ii) above, the Borrower shall not be required to pay any fees to such Defaulting Lender pursuant to Section 2.10(c) with respect to such Defaulting Lender's LC Exposure during the period such Defaulting Lender's LC Exposure is cash collateralized;

(iv) if the LC Exposure of the non-Defaulting Lenders is reallocated pursuant to clause (i) above, then the fees payable to the Lenders pursuant to Section 2.10(b) and Section 2.10(c) shall be adjusted in accordance with such non-Defaulting Lenders' Applicable Percentages; and

(v) if all or any portion of such Defaulting Lender's LC Exposure is neither reallocated nor cash collateralized pursuant to clause (i) or (ii) above, then, without prejudice to any rights or remedies of any Issuing Bank or any other Lender hereunder, all fees payable under Section 2.10(c) with respect to such Defaulting Lender's LC Exposure shall be payable to the Issuing Bank until and to the extent that such LC Exposure is reallocated and/or cash collateralized; and

(e) so long as such Lender is a Defaulting Lender, no Swingline Lenders shall be required to fund any Swingline Loan and no Issuing Bank shall be required to issue, amend or increase any Letter of Credit,

unless it is satisfied that the related exposure and the Defaulting Lender's then outstanding LC Exposure will be 100% covered by the Revolving Commitments of the non-Defaulting Lenders and/or cash collateral will be provided by the Borrower in accordance with Section 2.21(d), and participating interests in any newly made Swingline Loan or newly issued or increased Letter of Credit shall be allocated among non-Defaulting Lenders in a manner consistent with Section 2.21(d)(i) (and such Defaulting Lender shall not participate therein).

If (i) a Bankruptcy Event with respect to a Lender Parent of any Lender shall occur following the Closing Date and for so long as such event shall continue or (ii) any Swingline Lender or Issuing Bank has a good faith belief that any Lender has defaulted in fulfilling its obligations under one or more other agreements in which such Lender commits to extend credit, no Swingline Lender shall be required to fund any Swingline Loan and no Issuing Bank shall be required to issue, amend or increase any Letter of Credit, unless Swingline Lenders or the Issuing Banks, as the case may be, shall have entered into arrangements with the Borrower or such Lender, satisfactory to the Issuing Bank to defease any risk to it in respect of such Lender hereunder.

In the event that the Administrative Agent, the Borrower, each Swingline Lender and each Issuing Bank each agrees that a Defaulting Lender has adequately remedied all matters that caused such Lender to be a Defaulting Lender, then the Swingline Exposure and LC Exposure of the Lenders shall be readjusted to reflect the inclusion of such Lender's Revolving Commitment and on such date such Lender shall purchase at par such of the Revolving Loans of the other Lenders (other than Swingline Loans) as the Administrative Agent shall determine may be necessary in order for such Lender to hold such Revolving Loans in accordance with its Applicable Percentage.

Section 2.22. Letters of Credit.

(a) LC Commitment. (i) Subject to the terms and conditions hereof, the Issuing Bank, in reliance on the agreements of the other Revolving Lenders set forth in Section 2.22(c), agrees to issue standby letters of credit denominated in dollars ("Letters of Credit") for the account of the Borrower (or for the account of any Subsidiary so long as the Borrower and such Subsidiary are co-applicants in respect of such Letter of Credit) on any Business Day during the Revolving Availability Period in such form as may be approved from time to time by the Issuing Bank; provided that the Issuing Bank shall have no obligation to issue any Letter of Credit if, after giving effect to such issuance, (x) the LC Obligations would exceed the LC Commitment, (y) the aggregate amount of the Available Revolving Commitments would be less than zero or (z) subject to Section 9.04(b)(i)(E), the Applicable Fronting Exposure of such Issuing Bank would exceed its Revolving Commitment. Each Letter of Credit shall, except as provided in Section 2.22(a)(ii) below, expire no

later than the earlier of (A) the first anniversary of its date of issuance and (B) the date that is five Business Days prior to the Revolving Maturity Date, *provided* that any Letter of Credit with a one-year term may provide for the renewal thereof for additional one-year periods (which shall in no event extend beyond the date referred to in clause (B) above).

(ii) If requested by the Borrower and if the Issuing Bank agrees, the Issuing Bank may issue one or more Letters of Credit hereunder, with expiry dates that would occur after the fifth Business Day prior to the Revolving Maturity Date, based upon the Borrower's agreement to cash collateralize the LC Obligations in accordance with Section 2.22(h). If the Borrower fails to cash collateralize the outstanding LC Obligations in accordance with the requirements of Section 2.22(h), each outstanding Letter of Credit shall automatically be deemed to be drawn in full on such date and the reimbursement obligations of the Borrower set forth in Section 2.22(d) shall be deemed to apply and shall be construed such that the reimbursement obligation is to provide cash collateral in accordance with the requirements of Section 2.22(h).

(iii) The Borrower shall grant to the Administrative Agent for the benefit of the Issuing Bank and the Lenders, pursuant to a collateral agreement, a security interest in all cash, deposit accounts and all balances therein and all proceeds of the foregoing as required to be deposited pursuant to Section 2.22(a)(ii) or Section 2.22(h). Cash collateral shall be maintained in blocked, interest bearing deposit accounts at Jefferies Finance LLC (or any affiliate thereof) (the "**LC Cash Collateral Account**"). All interest on such cash collateral shall be paid to the Borrower upon the Borrower's request, *provided* that such interest shall first be applied to all outstanding LC Obligations at such time and the balance shall be distributed to the Borrower.

(iv) The Issuing Bank shall not at any time be obligated to issue any Letter of Credit if such issuance would conflict with, or cause the Issuing Bank or any LC Participant to exceed any limits imposed by, any applicable Requirement of Law.

(b) Procedure for Issuance of Letter of Credit. The Borrower may from time to time request that the Issuing Bank issue a Letter of Credit by delivering to the Issuing Bank at its address for notices specified herein an Application therefor, completed to the satisfaction of the Issuing Bank, and such other certificates, documents and other papers and information as the Issuing Bank may reasonably request. Upon receipt of any Application, the Issuing Bank will process such Application and the certificates, documents and other papers and information delivered to it in connection therewith in accordance with its customary procedures and shall promptly issue the Letter of Credit requested thereby (but in no event shall the Issuing Bank be required to issue any Letter of Credit earlier than three Business Days after its receipt of the Application

therefor and all such other certificates, documents and other papers and information relating thereto) by issuing the original of such Letter of Credit to the beneficiary thereof or as otherwise may be agreed to by the Issuing Bank and the Borrower. The Issuing Bank shall furnish a copy of such Letter of Credit to the Borrower promptly following the issuance thereof. The Issuing Bank shall promptly furnish to the Administrative Agent, which shall in turn promptly furnish to the Lenders, notice of the issuance of each Letter of Credit (including the amount thereof).

(c) *LC Participation.* (i) The Issuing Bank irrevocably agrees to grant and hereby grants to each LC Participant, and, to induce the Issuing Bank to issue Letters of Credit, each LC Participant irrevocably agrees to accept and purchase and hereby accepts and purchases from the Issuing Bank, on the terms and conditions set forth below, for such LC Participant's own account and risk an undivided interest equal to such LC Participant's Applicable Percentage in the Issuing Bank's obligations and rights under and in respect of each Letter of Credit and the amount of each draft paid by the Issuing Bank thereunder. Each LC Participant agrees with the Issuing Bank that, if a draft is paid under any Letter of Credit for which the Issuing Bank is not reimbursed in full by the Borrower in accordance with the terms of this Agreement (or in the event that any reimbursement received by the Issuing Bank shall be required to be returned by it at any time), such LC Participant shall pay to the Issuing Bank upon demand at the Issuing Bank's address for notices specified herein an amount equal to such LC Participant's Applicable Percentage of the amount that is not so reimbursed (or is so returned). Each LC Participant's obligation to pay such amount shall be absolute and unconditional and shall not be affected by any circumstance, including (A) any setoff, counterclaim, recoupment, defense or other right that such LC Participant may have against the Issuing Bank, the Borrower or any other Person for any reason whatsoever, (B) the occurrence or continuance of a Default or an Event of Default or the failure to satisfy any of the other conditions specified in Section 4.02, (C) any adverse change in the condition (financial or otherwise) of the Borrower, (D) any breach of this Agreement or any other Loan Document by the Borrower, any other Loan Party or any other LC Participant or (E) any other circumstance, happening or event whatsoever, whether or not similar to any of the foregoing.

(ii) If any amount required to be paid by any LC Participant to the Issuing Bank pursuant to Section 2.22(c) in respect of any unreimbursed portion of any payment made by the Issuing Bank under any Letter of Credit is paid to the

Issuing Bank within three Business Days after the date such payment is due, such LC Participant shall pay to the Issuing Bank on demand an amount equal to the product of (A) such amount, times (B) the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to the Issuing Bank, times (C) a fraction the numerator of which is the number of days that elapse during such period (including the first day but excluding the last day) and the denominator of which is 360. If any such amount required to be paid by any LC Participant pursuant to Section 2.22(c) is not made available to the Issuing Bank by such LC Participant within three Business Days after the date such payment is due, the Issuing Bank shall be entitled to recover from such LC Participant, on demand, such amount with interest thereon calculated from such due date at the Applicable Rate to ABR Revolving Loans. A certificate of the Issuing Bank submitted to any LC Participant with respect to any amounts owing under this Section shall be conclusive in the absence of manifest error.

(iii) Whenever, at any time after the Issuing Bank has made payment under any Letter of Credit and has received from any LC Participant its pro rata share of such payment in accordance with Section 2.22(c), the Issuing Bank receives any payment related to such Letter of Credit (whether directly from the Borrower or otherwise, including proceeds of collateral applied thereto by the Issuing Bank), or any payment of interest on account thereof, the Issuing Bank will distribute to such LC Participant its pro rata share thereof; *provided, however*, that in the event that any such payment received by the Issuing Bank shall be required to be returned by the Issuing Bank, such LC Participant shall return to the Issuing Bank the portion thereof previously distributed by the Issuing Bank to it.

(d) *Reimbursement Obligations of the Borrower.* If any draft is paid under any Letter of Credit, the Borrower shall reimburse the Issuing Bank for the amount of (x) the draft so paid and (y) any taxes, fees, charges or other costs or expenses incurred by the Issuing Bank in connection with such payment, not later than 12:00 Noon, New York City time, on the Business Day immediately following the day that the Borrower receives such notice from the relevant Issuing Bank. Each such payment shall be made to the Issuing Bank at its address for notices referred to herein in Dollars and in immediately available funds. Interest shall be payable on any such amounts from the date on which the relevant draft is paid until payment in full at the rate set forth in (x) until the Business Day next succeeding the date of the relevant notice, Section 2.11(b) and (y) thereafter, Section 2.11(c).

(e) *Obligations Absolute.* The Borrower's obligations under this Section 2.22(e) shall be absolute, unconditional and irrevocable under any and all circumstances and irrespective of any setoff, counterclaim or defense to payment that the Borrower may have or have had against the Issuing Bank, any beneficiary of a Letter of Credit or any other Person.

The Borrower also agrees with the Issuing Bank that the Issuing Bank shall not be responsible for, and the Borrower's Reimbursement Obligations under this Section 2.22(e) shall not be affected by, among other things, the validity or genuineness of documents or of any endorsements thereon, even though such documents shall in fact prove to be invalid, fraudulent or forged, or any dispute between or among the Borrower and any beneficiary of any Letter of Credit or any other party to which such Letter of Credit may be transferred or any claims whatsoever of the Borrower against any beneficiary of such Letter of Credit or any such transferee or payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit or any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. The Issuing Bank shall not be liable for any error, omission, interruption or delay in transmission, dispatch or delivery of any message or advice, however transmitted, in connection with any Letter of Credit, except that the foregoing shall not be construed to excuse the Issuing Bank from liability to the Borrower to the extent of any direct damages (as opposed to special, indirect, consequential or punitive damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by errors or omissions found by a final and nonappealable decision of a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Issuing Bank. The Borrower agrees that any action taken or omitted by the Issuing Bank under or in connection with any Letter of Credit or the related drafts or documents, if done in the absence of gross negligence or willful misconduct, shall be binding on the Borrower and shall not result in any liability of the Issuing Bank to the Borrower; *provided, however*, that in no event shall the Issuing Bank have any liability to any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(f) *Letters of Credit Payment.* If any draft shall be presented for payment under any Letter of Credit, the Issuing Bank shall promptly notify the Borrower of the date and amount thereof. The responsibility of the Issuing Bank to the Borrower in connection with any draft presented for payment under any Letter of Credit shall, in addition to any payment obligation expressly provided for in such Letter of Credit, be limited to determining that the documents (including each draft)

delivered under such Letter of Credit in connection with such presentment are substantially in conformity with such Letter of Credit.

(g) Applications. To the extent that any provision of any Application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the applicable Issuing Bank related to any Letter of Credit is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall apply.

(h) Action in Respect of Letters of Credit.

(i) Not later than the date that is ten (10) Business Days prior to the Revolving Maturity Date, or at any time after the Revolving Maturity Date when the aggregate funds on deposit in the LC Cash Collateral Account shall be less than the amounts required herein, the Borrower shall pay to the Administrative Agent in immediately available funds, at the Administrative Agent's office referred to in Section 9.01, for deposit in the LC Cash Collateral Account described in Section 2.22(a)(ii), the amount required so that, after such payment, the aggregate funds on deposit in the LC Cash Collateral Account are not less than 105% of the sum of all outstanding LC Obligations with an expiration date beyond the Revolving Maturity Date.

(ii) The Administrative Agent may, from time to time after funds are deposited in any LC Cash Collateral Account, apply funds then held in such LC Cash Collateral Account to the payment of any amounts, in accordance with the terms herein, as shall have become or shall become due and payable by the Borrower to the Issuing Bank or Lenders in respect of the LC Obligations. The Administrative Agent shall promptly give written notice of any such application; *provided, however*, that the failure to give such written notice shall not invalidate any such application.

(i) Designation of Additional Issuing Banks. The Borrower may, at any time and from time to time, designate as additional Issuing Banks one or more Revolving Lenders that agree, in their sole discretion, to serve in such capacity as provided below. The acceptance by a Revolving Lender of an appointment as an Issuing Bank hereunder shall be evidenced by an agreement, which shall be in form and substance reasonably satisfactory to the Administrative Agent and the Borrower, executed by the Borrower, the Administrative Agent and such designated Revolving Lender and, from and after the effective date of such agreement, (i) such Revolving Lender shall have all the rights and obligations of an Issuing Bank under this Agreement and (ii) references herein to the term "Issuing Bank" shall be deemed to include such Revolving Lender in its capacity as an issuer of Letters of Credit hereunder.

(j) *Termination of an Issuing Bank.* The Borrower may terminate the appointment of any Issuing Bank as an “Issuing Bank” hereunder by providing a written notice thereof to such Issuing Bank, with a copy to the Administrative Agent. Any such termination shall become effective upon the earlier of (i) such Issuing Bank’s acknowledging receipt of such notice and (ii) the fifth Business Day following the date of delivery thereof; *provided* that no such termination shall become effective unless and until the LC Exposure attributable to Letters of Credit issued by such Issuing Bank (or its Affiliates) shall have been reduced to zero. At the time any such termination shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the terminated Issuing Bank pursuant to Section 2.10(c). Notwithstanding the effectiveness of any such termination, the terminated Issuing Bank shall remain a party hereto and shall continue to have all the rights of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such termination, but shall not issue any additional Letters of Credit.

(k) *Issuing Bank Reports to the Administrative Agent.* Unless otherwise agreed by the Administrative Agent, each Issuing Bank shall, in addition to its notification obligations set forth elsewhere in this Section, report in writing to the Administrative Agent (i) periodic activity (for such period or recurrent periods as shall be requested by the Administrative Agent) in respect of Letters of Credit issued by such Issuing Bank, including all issuances, extensions, amendments and renewals, all expirations and cancellations and all disbursements and reimbursements, (ii) within five Business Days following the time that such Issuing Bank issues, amends, renews or extends any Letter of Credit, the date of such issuance, amendment, renewal or extension, and the currency and face amount of the Letters of Credit issued, amended, renewed or extended by it and outstanding after giving effect to such issuance, amendment, renewal or extension (and whether the amounts thereof shall have changed), (iii) on each Business Day on which such Issuing Bank makes any LC Disbursement, the date and amount of such LC Disbursement, (iv) on any Business Day on which the Borrower fails to reimburse an LC Disbursement required to be reimbursed to such Issuing Bank on such day, the date of such failure and amount of such LC Disbursement and (v) on any other Business Day, such other information as the Administrative Agent shall reasonably request as to the Letters of Credit issued by such Issuing Bank.

Section 2.23. Swingline Loans.

(a) *Swingline Loans.* Subject to the terms and conditions set forth herein, the Swingline Lender, in reliance on the agreements of the Revolving Lenders set forth in this Section, agrees to make Swingline Loans denominated in dollars to the Borrower from time to time on any Business Day during the Revolving Availability Period, in an aggregate principal amount at any time outstanding that will not result in (i) the Revolving Exposure of any Revolving Lender exceeding its Revolving Commitment, (ii) the sum of the total Revolving Exposures exceeding the Total Revolving Commitment or (iii) the aggregate principal amount of outstanding Swingline Loans of the Swingline Lender exceeding its Swingline Commitment; *provided, further,* that the Swingline Lender shall not be required to make a Swingline Loan to refinance an outstanding Swingline Loan. Within the foregoing limits and subject to the terms and conditions set forth herein, the Borrower may borrow, prepay and reborrow Swingline Loans.

(b) *Borrowing Procedures for Swingline Loans.* Each Borrowing of Swingline Loans shall be made upon the Borrower's notice to the Swingline Lender and the Administrative Agent. Each such notice shall be given by telephone to the Swingline Lender and the Administrative Agent not later than 2:00 p.m., New York City time, on the date of the requested Borrowing of Swingline Loan, and such notice shall specify (i) the amount to be borrowed, which shall be in a minimum of \$100,000 or a larger multiple of \$100,000, (ii) the date of such Borrowing of Swingline Loans (which shall be a Business Day), (iii) (other than in the case of Swingline Loans requested to finance the reimbursement of an LC Disbursement, in which case Section 2.03(vi) shall apply) if the funds are not to be credited to a general deposit account of the Borrower maintained with the Swingline Lender because the Borrower is unable to maintain a general deposit account with the Swingline Lender under applicable Requirements of Law, the location and number of the Borrower's account to which funds are to be disbursed, which shall comply with Section 2.04 and (iv) shall otherwise contain the information required for Borrowing Requests set forth in Section 2.03. Each such telephonic Borrowing Request shall be irrevocable and shall be confirmed promptly by hand delivery or facsimile to the Administrative Agent and the Swingline Lender of a written Borrowing Request signed by the Borrower. Subject to the terms and conditions set forth herein, such Swingline Lender shall make each Swingline Loan available to the Borrower by credit to the Borrower's account with such Swingline Lender or by wire transfer in accordance with instructions provided to (and reasonably acceptable to) such Swingline Lender (or, in the case of a Swingline Loan made to finance

the reimbursement of an LC Disbursement as provided in Section 2.22(d), by remittance to the respective Issuing Bank), not later than 3:00 p.m., New York City time, on the requested date of such Swingline Loan.

(c) Participations by Lenders in Swingline Loans.

(i) Immediately upon the making of a Swingline Loan by a Swingline Lender, and without any further action on the part of such Swingline Lender or the Revolving Lenders, such Swingline Lender hereby grants to each Revolving Lender, and each Revolving Lender hereby acquires from such Swingline Lender, a participation in such Swingline Loan equal to such Revolving Lender's Applicable Percentage of the amount of such Swingline Loan. Each Revolving Lender hereby absolutely, unconditionally and irrevocably agrees to pay to the Administrative Agent, for account of the Swingline Lender, such Revolving Lender's Applicable Percentage of such Swingline Loan or Loans. Each Revolving Lender acknowledges and agrees that its obligation to acquire and fund participations in Swingline Loans pursuant to this paragraph is absolute, unconditional and irrevocable and shall not be affected by any circumstance whatsoever, including the occurrence and continuance of a Default or reduction or termination of the Revolving Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever. Each Revolving Lender shall comply with its obligation under this paragraph by wire transfer of immediately available funds, in the same manner and timing as provided in Section 2.04 with respect to Loans made by such Revolving Lender (with references to 12:00 noon, New York City time, in such Section being deemed to be references to 3:00 p.m., New York City time) (and Section 2.04 shall apply, mutatis mutandis, to the payment obligations of the Revolving Lenders pursuant to this paragraph), and the Administrative Agent shall promptly remit to the Swingline Lender the amounts so received by it from the Revolving Lenders.

(ii) The Administrative Agent shall notify the Borrower of any participations in any Swingline Loan funded pursuant to the preceding paragraph, and thereafter payments in respect of such Swingline Loan shall be made to the Administrative Agent and not to the applicable Swingline Lender. Any amounts received by a Swingline Lender from the Borrower (or other party on behalf of the Borrower) in respect of a Swingline Loan made by such Swingline Lender after receipt by such Swingline Lender of the proceeds of a sale of participations therein shall be promptly remitted to the Administrative Agent. Any such amounts received by the Administrative Agent shall be promptly remitted by the Administrative Agent to the Lenders that shall have made their payments pursuant to the preceding paragraph and to such Swingline Lender, as their interests may appear, *provided* that any such payment so remitted shall be repaid to such Swingline Lender or to the Administrative Agent, as applicable, if and to the extent such payment is required to be refunded to the Borrower for any reason. The purchase of participations in a Swingline Loan pursuant to this paragraph shall not relieve the Borrower of any default in the payment thereof.

(iii) If any Revolving Lender fails to make available to the Administrative Agent for the account of the Swingline Lender any amount required

to be paid by such Revolving Lender pursuant to the foregoing provisions of this Section 2.23 (including by the time referred to in Section 2.23(c)(i)), the Swingline Lender shall be entitled to recover from such Revolving Lender (acting through the Administrative Agent), on demand, an amount equal to the product of (A) such amount, times (B) the daily average Federal Funds Effective Rate during the period from and including the date such payment is required to the date on which such payment is immediately available to the Swingline Lender, times (C) a fraction the numerator of which is the number of days that elapse during such period (including the first day but excluding the last day) and the denominator of which is 360. If any such amount required to be paid by any Revolving Lender pursuant to this Section 2.23 is not made available to the Swingline Lender by such Revolving Lender within three Business Days after the date such payment is due, the Swingline Lender shall be entitled to recover from such Revolving Lender, on demand, such amount with interest thereon calculated from such due date at the Applicable Rate to ABR Revolving Loans. A certificate of the Swingline Lender submitted to any Revolving Lender (through the Administrative Agent) with respect to any amounts owing under this clause (iii) shall be conclusive absent manifest error.

(d) Resignation of Swingline Lender. Any Swingline Lender may resign at any time by giving 30 days' prior notice to the Administrative Agent, the Lenders and the Borrower. After the resignation of a Swingline Lender hereunder, the retiring Swingline Lender shall remain a party hereto and shall continue to have all the rights and obligations of a Swingline Lender under this Agreement and the other Loan Documents with respect to Swingline Loans made by it prior to such resignation, but shall not be required to make any additional Swingline Loans.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

Each of Holdings and the Borrower represents and warrants to the Administrative Agent and each of the Lenders that:

Section 3.01. Organization; Powers. Each of Holdings, the Borrower and the Restricted Subsidiaries is duly organized, validly existing and in good standing (to the extent such concept exists in the relevant jurisdictions) under the laws of the jurisdiction of its organization, has the corporate or other organizational power and authority to carry on its business as now conducted and as proposed to be conducted and to execute, deliver and perform its obligations under each Loan Document to which it is a party and to effect the Transactions and, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, is qualified to do business in, and is in good standing in, every jurisdiction where such qualification is required.

Section 3.02. Authorization; Enforceability. The Transactions to be entered into by each Loan Party have been duly authorized by all necessary corporate or other action and, if required, action by the holders of such Loan Party's Equity Interests.

This Agreement has been duly executed and delivered by each of Holdings and the Borrower and constitutes, and each other Loan Document to which any Loan Party is to be a party, when executed and delivered by such Loan Party, will constitute, a legal, valid and binding obligation of Holdings, the Borrower or such Loan Party, as the case may be, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors' rights generally and subject to general principles of equity, regardless of whether considered in a proceeding in equity or at law.

Section 3.03. Governmental Approvals; No Conflicts. The Transactions (a) do not require any consent or approval of, registration or filing with, or any other action by, any Governmental Authority or Regulatory Supervising Organization, except such as have been obtained or made and are in full force and effect and except filings necessary to perfect Liens created under the Loan Documents, (b) will not violate (i) the Organizational Documents of, or (ii) any Requirements of Law applicable to, Holdings, the Borrower or any Restricted Subsidiary, (c) will not violate or result in a default under any indenture or other agreement or instrument binding upon Holdings, the Borrower or any Restricted Subsidiary or their respective assets, or give rise to a right thereunder to require any payment, repurchase or redemption to be made by Holdings, the Borrower or any Restricted Subsidiary, or give rise to a right of, or result in, termination, cancellation or acceleration of any obligation thereunder and (d) will not result in the creation or imposition of any Lien on any asset of Holdings, the Borrower or any Restricted Subsidiary, except Liens created under the Loan Documents, except (in the case of each of clauses (a), (b)(ii) and (c)) to the extent that the failure to obtain or make such consent, approval, registration, filing or action, or such violation, as the case may be, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect.

Section 3.04. Financial Condition; No Material Adverse Effect.

(a) The Audited Financial Statements (i) were prepared in accordance with GAAP consistently applied throughout the periods covered thereby, except as otherwise expressly noted therein and (ii) fairly present the financial condition of Holdings and its consolidated Subsidiaries as of the date thereof and their results of operations for the periods covered thereby in accordance with GAAP consistently applied throughout the periods covered thereby, except as otherwise expressly noted therein.

(b) Since December 31, 2018, there has been no Material Adverse Effect.

Section 3.05. Properties.

(a) Each of Holdings, the Borrower and the Restricted Subsidiaries has good title to, or valid leasehold interests in, all its real

and personal property material to its business, if any (including the Mortgaged Properties), (i) free and clear of all Liens except for Liens permitted by Section 6.02 and (ii) except for minor defects in title that do not interfere with its ability to conduct its business as currently conducted or as proposed to be conducted or to utilize such properties for their intended purposes, in each case, except where the failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(b) As of the Closing Date, after giving effect to the Transactions to be consummated on or prior to the Closing Date, none of Holdings, the Borrower or any Restricted Subsidiary owns any real property.

Section 3.06. Litigation and Environmental Matters.

(a) Except for routine examinations conducted by a Regulatory Supervising Organization or Governmental Authority in the ordinary course of the business of the Borrower and its Subsidiaries, there is no claim, action, suit, investigation or proceeding pending against, or, to the knowledge of Holdings or the Borrower, threatened in writing against or affecting (i) Holdings, the Borrower or any Restricted Subsidiary or (ii) any officer, director or key employee of Holdings, the Borrower or any Restricted Subsidiary in their respective capacities in such positions, in each case, before (or, in the case of material threatened claims, actions, suits, investigations or proceedings, would be before) or by any Governmental Authority, Regulatory Supervising Organization or arbitrator that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

(b) Except with respect to any matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect, none of Holdings, the Borrower or any Restricted Subsidiary (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has, to the knowledge of Holdings or the Borrower, become subject to any Environmental Liability, (iii) has received written notice of any claim, allegation, investigation or order with respect to any Environmental Liability or (iv) has, to the knowledge of Holdings or the Borrower, any basis to reasonably expect that Holdings, the Borrower or any Restricted Subsidiary will become subject to any Environmental Liability.

Section 3.07. Compliance with Laws and Agreements. Each of Holdings, the Borrower and its Restricted Subsidiaries is in compliance with (i) its Organizational Documents, (ii) all Requirements of Law applicable to it or its property and (iii) all indentures and other agreements and instruments binding upon it or its property, except, in the case of clauses (ii) and (iii) of this Section, where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

Section 3.08. Investment Company Status. No Loan Party is required to be registered as an “investment company” within the meaning of the Investment Company Act of 1940, as amended from time to time.

Section 3.09. Taxes. Except as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, Holdings, the Borrower and each Restricted Subsidiary (a) have timely filed or caused to be filed all Tax returns and reports required to have been filed and (b) have paid or caused to be paid all Taxes required to have been paid (whether or not shown on a Tax return) including in their capacity as tax withholding agents, except any Taxes (i) that are not overdue by more than 30 days or (ii) that are being contested in good faith by appropriate proceedings, *provided* that Holdings, the Borrower or such Subsidiary, as the case may be, has set aside on its books adequate reserves therefor in accordance with GAAP. There are no audits, assessments, claims or other Tax proceedings against Holdings, the Borrower or any Restricted Subsidiary that could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 3.10. ERISA.

(a) Except as could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, each Plan is in compliance with the applicable provisions of ERISA, the Code and other federal or state laws.

(b) Except as could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect, (i) no ERISA Event has occurred or is reasonably expected to occur, (ii) neither the Borrower nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability under Title IV of ERISA with respect to any Plan (other than premiums due and not delinquent under Section 4007 of ERISA), (iii) neither the Borrower nor any ERISA Affiliate has incurred, or reasonably expects to incur, any liability (and no event has occurred which, with the giving of notice under Section 4219 of ERISA, would result in such liability) under Sections 4201 or 4243 of ERISA with respect to a Multiemployer Plan and (iv) neither the Borrower nor any ERISA Affiliate has engaged in a transaction that could be subject to Section 4069 or 4212(c) of ERISA.

Section 3.11. Disclosure.

(a) Neither (i) the Information Materials as of the Closing Date nor (ii) any of the other reports, financial statements, certificates or other written information furnished by or on behalf of any Loan Party to the Administrative Agent or any Lender in connection with the negotiation of any Loan Document or delivered thereunder (as modified or supplemented by other information so furnished) when taken as a whole contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not materially misleading; *provided* that, with respect to projected financial information, Holdings and the Borrower represent only that such information was prepared in good faith based upon assumptions believed by them to be reasonable at the time delivered and, if such projected financial information was delivered prior to the Closing Date in connection with the transactions consummated on the Closing Date, as of the Closing Date, it being understood that any such projected financial information may vary from actual results and such variations could be material.

(b) If the Borrower has provided a Beneficial Ownership Certification to any Lender in connection with this Agreement on or prior to the Closing Date, as of the Closing Date, to the best knowledge of the Borrower, the information included in such Beneficial Ownership Certification is true and correct in all respects.

Section 3.12. Subsidiaries. As of the Closing Date, Schedule 3.12 sets forth the name of, and the ownership interest of Holdings, the Borrower and each Subsidiary in, each Subsidiary.

Section 3.13. Intellectual Property; Licenses, Etc. Each of Holdings, the Borrower and the Restricted Subsidiaries owns, licenses or possesses the right to use all Intellectual Property that is reasonably necessary for the operation of its business as currently conducted, and, without conflict with the rights of any Person, except to the extent such conflicts, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect. None of Holdings, the Borrower or any Restricted Subsidiary, in the operation of its business as currently conducted, infringes upon any Intellectual Property rights held by any Person except for such infringements, individually or in the aggregate, which could not reasonably be expected to have a Material Adverse Effect. No claim or litigation regarding any Intellectual Property is pending or, to the knowledge of Holdings and the Borrower, threatened against Holdings, the Borrower or any Restricted Subsidiary, which, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 3.14. Solvency. Immediately after the consummation of the Transactions to occur on the Closing Date, the Borrower and its Subsidiaries, on a consolidated basis, will not be Insolvent.

Section 3.15. Senior Indebtedness. The Loan Document Obligations constitute “Senior Indebtedness” (or any comparable term) under and as defined in the documentation governing any Junior Financing or the Second Lien Notes.

Section 3.16. Federal Reserve Regulations. No part of the proceeds of the Loans will be used, directly or indirectly, to purchase or carry any margin stock or to refinance any Indebtedness originally incurred for such purpose, in each case, in a manner that entails a violation (including on the part of any Lender) of the provisions of Regulations U or X of the Board of Governors.

Section 3.17. Use of Proceeds.

(a) The Refinancing Borrower will use the proceeds of the Refinancing Term Loans on the Closing Date (i) to consummate the Closing Date Refinancings and (ii) to pay fees and expenses in connection therewith.

(b) The Acquisition Borrower will use the proceeds of the Acquisition Term Loans on the Closing Date (i) to consummate the Acquisition and (ii) to pay fees and expenses in connection herewith and therewith.

(c) The Borrower and its Restricted Subsidiaries will use the proceeds of borrowings under the Revolving Commitment and the Letters of Credit issued hereunder for general corporate purposes (including, without limitation, for the financing of Permitted Acquisitions and to pay fees and expenses in connection therewith).

(d) The Borrower will use the proceeds of the Additional Term B Loans on the Amendment No. 1 Effective Date to consummate the Amendment No. 1 Transactions.

Section 3.18. Regulatory Status and Memberships Held.

(a) Except as set forth on Schedule 3.18, each Broker-Dealer Subsidiary is duly (i) registered, licensed or qualified as a broker-dealer and is in compliance in all material respects with all Requirements of Law of all material jurisdictions in which it is required to be so registered, licensed or qualified and each such registration, license or qualification is in full force and effect and (ii) registered as a broker-dealer with the

SEC under the Exchange Act and is in compliance in all material respects with the applicable provisions of the Exchange Act and all rules and regulations thereunder and applicable state securities laws, including the net capital requirements and customer protection requirements thereof.

(b) Each Subsidiary of the Borrower listed on Schedule 3.18 is duly registered with, or a member of, the Regulatory Supervising Organization(s) indicated for such Subsidiary and is in compliance in all material respects with all applicable rules and regulations of such Regulatory Supervising Organization(s).

Section 3.19. PATRIOT Act, OFAC and FCPA.

(a) Holdings, the Borrower and the Subsidiaries will not, directly or indirectly, use the proceeds of the Loans, or lend, contribute or otherwise make available such proceeds to any Subsidiary, joint venture partner or other Person, for the purpose of funding (i) any activities of or business with any Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions, or (ii) any other transaction that will result in a violation by any Person (including any Person participating in the transaction, whether as underwriter, advisor, investor, lender or otherwise) of Sanctions.

(b) Holdings, the Borrower and the Restricted Subsidiaries will not use the proceeds of the Loans directly, or, to the knowledge of Holdings, indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended (the "FCPA").

(c) Except as could not, individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect, none of Holdings, the Borrower or any Subsidiary has, in the past three years, committed a violation of applicable regulations of the United States Department of the Treasury's Office of Foreign Assets Control ("OFAC"), Title III of the USA Patriot Act or the FCPA.

(d) (i) None of the Loan Parties is an individual or entity currently on OFAC's list of Specially Designated Nationals and Blocked Persons (the "SDN List") or is owned 50% or more, directly or indirectly, by one or more parties on the SDN List and (ii) except as would not, individually

or in the aggregate, reasonably be expected to result in a Material Adverse Effect, none of the Restricted Subsidiaries that are not Loan Parties or, to the knowledge of Holdings, any director, officer, employee or agent of any Loan Party or other Restricted Subsidiary, in each case, is an individual or entity currently on the SDN List or is owned 50% or more, directly or indirectly, by one or more parties on the SDN List, nor is Holdings, the Borrower or any Restricted Subsidiary located, organized or resident in a country or territory that is the subject of Sanctions.

Section 3.20. EEA Financial Institutions. No Loan Party is an EEA Financial Institution.

ARTICLE 4
CONDITIONS

Section 4.01. Closing Date. The obligations of the Lenders to make Loans hereunder on the Closing Date shall not become effective until the date on which each of the following conditions shall be satisfied (or waived in accordance with Section 9.02):

(a) The Administrative Agent (or its counsel) shall have received from each party hereto either (i) a counterpart of this Agreement (or in the case of ITG and its subsidiaries, a joinder hereto) signed on behalf of such party or (ii) written evidence satisfactory to the Administrative Agent (which may include facsimile or other electronic transmission of a signed counterpart of this Agreement) that such party has signed a counterpart of this Agreement (or in the case of ITG and its subsidiaries, a joinder hereto).

(b) The Administrative Agent shall have received written opinions (addressed to the Administrative Agent and the Lenders and dated the Closing Date) of Paul, Weiss, Rifkind, Wharton & Garrison LLP, New York counsel for the Loan Parties, and Cleary, Gottlieb, Steen & Hamilton LLP, special counsel for the Loan Parties, as to such matters as the Administrative Agent may reasonably request and in form and substance reasonably satisfactory to the Administrative Agent and the Lead Arrangers. Each of Holdings and the Borrower hereby requests such counsels to deliver such opinions.

(c) The Administrative Agent shall have received a certificate of each Loan Party, dated the Closing Date, substantially in the form of Exhibit G with appropriate insertions, executed by any Responsible

Officer of such Loan Party, and including or attaching the documents referred to in paragraph (d) of this Section.

(d) The Administrative Agent shall have received a copy of (i) each Organizational Document of each Loan Party certified, to the extent applicable, as of a recent date by the applicable Governmental Authority, (ii) signature and incumbency certificates of the Responsible Officers of each Loan Party executing the Loan Documents to which it is a party, (iii) resolutions of the board of directors and/or similar governing bodies of each Loan Party approving and authorizing the execution, delivery and performance of the Loan Documents to which it is a party, certified as of the Closing Date by its secretary, an assistant secretary or a Responsible Officer as being in full force and effect without modification or amendment, and (iv) a good standing certificate (to the extent such concept exists) from the applicable Governmental Authority of each Loan Party's jurisdiction of incorporation, organization or formation.

(e) The Administrative Agent shall have received all fees and other amounts previously agreed in writing by the Lead Arrangers and the Borrower to be due and payable on or prior to the Closing Date, including, to the extent invoiced at least three Business Days prior to the Closing Date (or such later day as the Borrower may reasonably agree), reimbursement or payment of all out-of-pocket expenses (including reasonable fees, charges and disbursements of counsel) required to be reimbursed or paid by any Loan Party under any Loan Document.

(f) The Administrative Agent shall have received a certificate from the chief financial officer or chief operating officer of the Borrower in the form of Exhibit Q certifying as to the satisfaction of the conditions set forth in clauses (i), (j) and (k) of this Section 4.01.

(g) The Administrative Agent and the Lead Arrangers shall have received, at least three (3) Business Days prior to the Closing Date, all documentation and other information about the Loan Parties (including a Beneficial Ownership Certification by the Borrower required under the Beneficial Ownership Regulation) as shall have been reasonably requested in writing at least 10 Business Days prior to the Closing Date by the Administrative Agent or the Lead Arrangers that they shall have reasonably determined is required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations, including without limitation the USA Patriot Act and the Beneficial Ownership Regulation.

(h) The Administrative Agent shall have received a Borrowing Request requesting the borrowing of the Initial Term Loans.

(i) The Acquisition shall have been or shall concurrently be consummated in accordance with the terms of the Merger Agreement without giving effect to any amendment, change or supplement or waiver of any provision thereof (including any change in the purchase price) in any manner that is materially adverse to the interests of the Lenders (in their capacities as such) without the prior written consent (not to be unreasonably withheld or delayed) of the Lead Arrangers.

(j) The Acquisition Agreement Representations shall be true and correct in all respects and the Specified Representations shall be true and correct in all material respects as of the Closing Date.

(k) The ITG Refinancing shall have been consummated or shall substantially concurrently be consummated with the initial funding of the Facilities. The Existing Credit Agreement Refinancing shall have been consummated or shall substantially concurrently be consummated with the initial funding of the Facilities.

(l) The Collateral and Guarantee Requirement shall have been satisfied and the Administrative Agent shall have received (x) a completed Perfection Certificate dated the Closing Date and signed by a Responsible Officer of the Borrower, together with all attachments contemplated thereby and (y) UCC, tax and judgment lien searches in respect of the Loan Parties; *provided* that if, notwithstanding the use by Holdings and the Borrower of commercially reasonable efforts to cause the Collateral and Guarantee Requirement to be satisfied on the Closing Date, the requirements thereof (other than, subject to the next succeeding proviso, (a) the execution and delivery of the Guarantee Agreement (or with respect to ITG and its subsidiaries, a joinder thereto), the Collateral Agreement (or with respect to ITG and its subsidiaries, a joinder thereto) and the Junior Lien Intercreditor Joinder by the Loan Parties, (b) creation of and perfection of security interests in the Equity Interests of (i) Domestic Subsidiaries of Holdings and (ii) the Borrower, (c) the delivery of certificates evidencing equity interests of the Borrower and its wholly-owned, material domestic Subsidiaries (in each case, to the extent certificated) evidencing the Equity Interests required to be pledged pursuant to the Collateral and Guarantee Requirement with respect to which a Lien may be perfected by the delivery of a stock or equivalent certificate, but, with respect to Subsidiaries of ITG, only to the extent

received after use of commercially reasonable efforts to do so), (d) the execution and delivery of “short form” intellectual property security agreements with respect to the Intellectual Property of the Loan Parties that is to be perfected by filing such agreements with the United States Patent and Trademark Office or the United States Copyright Office, (e) delivery of Uniform Commercial Code financing statements with respect to perfection of security interests in other assets of the Loan Parties that may be perfected by the filing of a financing statement under the Uniform Commercial Code and (f) the designation of this Agreement as a “Credit Agreement” under the Junior Lien Intercreditor Agreement in accordance with the Junior Lien Intercreditor Agreement) are not satisfied as of the Closing Date after use of commercially reasonable efforts to do so without undue burden or expense, the satisfaction of such requirements shall not be a condition to the availability of the Loans on the Closing Date.

(m) The Administrative Agent and the Lead Arrangers shall have received (i) (A) the audited consolidated balance sheets and related consolidated statements of operations cash flows and shareholders’ equity of Holdings for the two most recently completed fiscal years of Holdings and (B) the audited consolidated statements of financial condition and related statements of operations, (loss) income, changes in stockholders’ equity and cash flows of ITG for the two most recently completed fiscal years of ITG, in each case, ended at least 90 days before the Closing Date, accompanied by a report thereon by their respective independent registered public accountants; (ii) the unaudited consolidated balance sheets and related statements of operations and cash flows of Holdings and the unaudited condensed consolidated statements of financial condition and related statements of operations and cash flows of ITG (to the extent required to be delivered under the Merger Agreement) for each subsequent fiscal quarter (other than the fourth fiscal quarter of any fiscal year) of Holdings and ITG, respectively, ended at least 45 days before the Closing Date (the “Quarterly Financial Statements”); and (iii) a pro forma balance sheet and related statement of operations of Holdings and its subsidiaries (including ITG and its subsidiaries) as of and for the twelve-month period ending with the latest quarterly period of Holdings covered by the Quarterly Financial Statements, in each case after giving effect to the Transactions (the “Pro Forma Financial Statements”), all of which financial statements shall be prepared in accordance with GAAP.

(n) The Administrative Agent shall have received a Solvency Certificate from the Borrower's chief financial officer in substantially the form attached as Exhibit Q hereto.

(o) The Administrative Agent shall have received evidence reasonably satisfactory to the Administrative Agent that the Asset Contributions shall occur substantially concurrently on the Closing Date.

Notwithstanding anything in the foregoing to the contrary, it is acknowledged and agreed the joinders and other instruments and certificates delivered by or in respect of ITG and its subsidiaries under this Section 4.01 shall not be deemed to be delivered and/or effective until the Acquisition and the Asset Contributions have been consummated. The Administrative Agent shall notify Holdings, the Borrower and the Lenders of the Closing Date, and such notice shall be conclusive and binding.

Section 4.02. Each Credit Event. The obligation of each Lender to make a Loan on the occasion of any Borrowing (excluding any Borrowing on the Closing Date), and of each Issuing Bank to issue, amend, renew or extend any Letter of Credit, is subject to receipt of the request therefor in accordance herewith and to the satisfaction of the following conditions:

(a) The representations and warranties of each Loan Party set forth in the Loan Documents shall be true and correct in all material respects on and as of the date of such Borrowing or the date of issuance, amendment, renewal or extension of such Letter of Credit, as the case may be; provided that, to the extent that such representations and warranties specifically refer to an earlier date, they shall be true and correct in all material respects as of such earlier date; provided, further, that any representation and warranty that is qualified as to "materiality," "Material Adverse Effect" or similar language shall be true and correct in all respects on the date of such credit extension or on such earlier date, as the case may be; provided, further, however, that in the case of any Borrowing under an Incremental Facility, the proceeds of which are to be used to fund a Limited Condition Acquisition, if agreed to by the lenders providing such Incremental Facility, such representations may be limited to the Specified Representations.

(b) At the time of and immediately after giving effect to such Borrowing or the issuance, amendment, renewal or extension of such Letter of Credit, as the case may be, no Default or Event of Default shall have occurred and be continuing (or, in the case of any Borrowing under an Incremental Facility, the proceeds of which are to be used to fund a Limited Condition Acquisition, if agreed to by the lenders providing such

Incremental Facility, no Event of Default under Section 7.01(a), (b), (h) or (i) shall have occurred and be continuing).

(c) The Administrative Agent shall have received a duly completed Borrowing Request or Letter of Credit Application, as applicable.

Each Borrowing (*provided* that a conversion or a continuation of a Borrowing shall not constitute a “Borrowing” for purposes of this Section) and each issuance, amendment, renewal or extension of a Letter of Credit shall be deemed to constitute a representation and warranty by Holdings and the Borrower on the date thereof as to the matters specified in paragraphs (a) and (b) of this Section.

ARTICLE 5
AFFIRMATIVE COVENANTS

Each of Holdings and the Borrower covenants and agrees with the Administrative Agent and each of the Lenders that, until the Termination Date:

Section 5.01. *Financial Statements and Other Information.* Holdings or the Borrower will furnish to the Administrative Agent, which will furnish to each Lender:

(a) on or before the date on which such financial statements are required or permitted to be filed with the SEC (or, if such financial statements are not required to be filed with the SEC, on or before the date that is 90 days after the end of each fiscal year of Holdings), audited consolidated balance sheet and audited consolidated statements of operations and comprehensive income, stockholders’ equity and cash flows of Holdings as of the end of and for such year (commencing with financial statements as of the end of and for the fiscal year ending December 31, 2018), and related notes thereto, setting forth in each case in comparative form the figures for the previous fiscal year, all reported on by KPMG LLP or any other independent registered public accounting firm of nationally recognized standing (without a “going concern” or like qualification or exception (other than with respect to, or resulting from, (i) any potential inability to satisfy the Financial Performance Covenant (whether or not in effect) in a future date or period or (ii) an upcoming maturity date of any Indebtedness under this Agreement occurring within 12 months from the time such report is required to be delivered to the Administrative Agent) and without any qualification or exception as to the scope of such audit) to the effect that such consolidated financial statements present fairly in all material respects the financial condition as of the end of and for such year and results of operations and cash flows

of Holdings and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, and which statements shall include an accompanying customary management discussion and analysis (which, for the avoidance of doubt, shall not be required to include strategy level detail with respect to operational performance, trading algorithms, “ticker-level” information or information that Holdings otherwise reasonably considers to be proprietary or highly sensitive);

(b) commencing with the financial statements for the fiscal quarter ending March 31, 2019, on or before the date on which such financial statements are required or permitted to be filed with the SEC with respect to each of the first three fiscal quarters of each fiscal year of Holdings (or, if such financial statements are not required to be filed with the SEC, on or before the date that is 30 days after the end of each such fiscal quarter), unaudited consolidated balance sheet and unaudited consolidated statements of operations and comprehensive income, stockholders’ equity and cash flows as of the end of and for such fiscal quarter and the then elapsed portion of the fiscal year, setting forth in each case in comparative form the figures for the corresponding period or periods of (or, in the case of the balance sheet, as of the end of) the previous fiscal year, all certified by a Financial Officer as presenting fairly in all material respects the financial condition as of the end of and for such fiscal quarter and such portion of the fiscal year and results of operations and cash flows of Holdings and its Subsidiaries on a consolidated basis in accordance with GAAP consistently applied, subject to normal year-end audit adjustments and the absence of footnotes and which statements shall include an accompanying customary management discussion and analysis (which, for the avoidance of doubt, shall not be required to include strategy level detail with respect to operational performance, trading algorithms, “ticker-level” information or information that the Borrower otherwise reasonably considers to be proprietary or highly sensitive);

(c) simultaneously with the delivery of each set of consolidated financial statements referred to in clauses (a) and (b) above, the related consolidating financial statements reflecting adjustments necessary to eliminate the accounts of Unrestricted Subsidiaries (if any) from such consolidated financial statements;

(d) not later than five days after any delivery of financial statements under paragraph (a) or (b) above (and, in any event, not later than five days after the date on which such financial statements were

required to have been delivered), a certificate of a Financial Officer (i) certifying as to whether a Default has occurred and, if a Default has occurred, specifying the details thereof and any action taken or proposed to be taken with respect thereto, (ii) setting forth reasonably detailed calculations (A) if the Financial Performance Covenant is in effect with respect to the last day of the applicable fiscal period, demonstrating compliance with the Financial Performance Covenant and (B) beginning with the financial statements for the fiscal quarter ended December 31, 2019, of Excess Cash Flow for the fiscal quarter ended December 31, 2019 and, in the case of financial statements delivered with respect to any subsequent fiscal quarter, of Excess Cash Flow for such fiscal quarter (or in the case of financial statements delivered under paragraph (a) above, for the fourth fiscal quarter of such fiscal year) and (iii) in the case of financial statements delivered under paragraph (a) or (b) above, setting forth a reasonably detailed calculation of the Net Proceeds received during the applicable period by or on behalf of the Borrower or any of its Restricted Subsidiary in respect of any event described in clause (a) of the definition of the term "Prepayment Event" and the portion of such Net Proceeds that has been invested or are intended to be reinvested in accordance with the proviso in Section 2.09(b);

(e) [reserved];

(f) not later than 90 days after the commencement of each fiscal year of Holdings, a detailed consolidated budget for the Borrower and its Subsidiaries for such fiscal year (consisting of projected net revenue by asset class and geography, projected expenses, projected GAAP EBITDA (i.e., earnings before interest, taxes, depreciation and amortization) and projected capital expenditures for such fiscal year and setting forth the material assumptions used for purposes of preparing such budget);

(g) promptly after the same become publicly available, copies of all proxy statements and registration statements (other than amendments to any registration statement (to the extent such registration statement, in the form it became effective, is delivered to the Administrative Agent), exhibits to any registration statement and, if applicable, any registration statement on Form S-8) filed by Holdings, any Intermediate Parent, the Borrower or any of its Restricted Subsidiaries with the SEC or with any national securities exchange, or distributed by Holdings, any Intermediate Parent, the Borrower or any of its Restricted Subsidiaries to the holders of its Equity Interests generally, as the case may be;

(h) promptly upon filing with any applicable Regulatory Supervising Organization, a copy of each FOCUS report or similar report relating to the regulatory capital or similar requirements applicable to the Subsidiary filing such report;

(i) promptly after the request by the Administrative Agent on behalf of any Lender, all documentation and other information that such Lender reasonably requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the USA Patriot Act and the Beneficial Ownership Regulation; and

(j) promptly following any request therefor, such other information regarding the operations, business affairs and financial condition of Holdings, any Intermediate Parent, the Borrower or any of its Restricted Subsidiaries, or compliance with the terms of any Loan Document, as the Administrative Agent on its own behalf or on behalf of any Lender may reasonably request in writing.

Notwithstanding the foregoing, the obligations in paragraphs (a) and (b) of this Section 5.01 may be satisfied with respect to financial information of Holdings and its Subsidiaries by furnishing the Form 10-K or 10-Q (or the equivalent), as applicable, of Holdings (or a parent company thereof) filed with the SEC or any national securities exchange; *provided* that (i) to the extent such information relates to a parent of Holdings, such information is accompanied by consolidating information, which may be unaudited, that explains in reasonable detail the differences between the information relating to such parent, on the one hand, and the information relating to Holdings and its Subsidiaries on a standalone basis, on the other hand, and (ii) to the extent such information is in lieu of information required to be provided under Section 5.01(a), such materials are accompanied by a report and opinion of KPMG LLP or any other independent registered public accounting firm of nationally recognized standing, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any “going concern” or like qualification or exception (other than with respect to, or resulting from, (i) any potential inability to satisfy the Financial Performance Covenant (whether or not in effect) in a future date or period or (ii) an upcoming maturity date of any Indebtedness under this Agreement occurring within 12 months from the time such report is required to be delivered to the Administrative Agent) or any qualification or exception as to the scope of such audit.

Documents required to be delivered pursuant to Section 5.01(a), (b) or (f) (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and, if so delivered, shall be deemed to have been delivered on the date (i) on which Holdings posts such documents, or provides a link thereto, on the Internet at the website address listed on Schedule 9.01 (or otherwise notified pursuant to Section 9.01(e)); or (ii) on which such documents are posted on Holdings’ behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access

(whether a commercial, third-party website or whether sponsored by the Administrative Agent); *provided* that: (i) the Borrower shall deliver paper copies of such documents to the Administrative Agent upon its reasonable request until a written notice to cease delivering paper copies is given by the Administrative Agent and (ii) the Borrower shall notify the Administrative Agent (by telecopier or electronic mail) of the posting of any such documents and, upon its reasonable request, provide to the Administrative Agent by electronic mail electronic versions (i.e., soft copies) of such documents. The Administrative Agent shall have no obligation to request the delivery of or maintain paper copies of the documents referred to above, and each Lender shall be solely responsible for timely accessing posted documents and maintaining its copies of such documents.

The Borrower hereby acknowledges that (a) the Administrative Agent and/or the Lead Arrangers will make available to the Lenders materials and/or information provided by or on behalf of the Borrower hereunder (collectively, "**Borrower Materials**") by posting the Borrower Materials on IntraLinks or another similar electronic system (the "**Platform**") and (b) certain of the Lenders (each, a "**Public Lender**") may have personnel who do not wish to receive material non-public information with respect to the Borrower or its Affiliates, or the respective securities of any of the foregoing, and who may be engaged in investment and other market-related activities with respect to such Persons' securities. The Borrower hereby agrees that it will use commercially reasonable efforts to identify that portion of the Borrower Materials that may be distributed to the Public Lenders and that (w) all such Borrower Materials shall be clearly and conspicuously marked "PUBLIC" which, at a minimum, shall mean that the word "PUBLIC" shall appear prominently on the first page thereof; (x) by marking Borrower Materials "PUBLIC," the Borrower shall be deemed to have authorized the Administrative Agent, the Lead Arrangers and the Lenders to treat such Borrower Materials as not containing any material non-public information (although it may be sensitive and proprietary) with respect to the Borrower or its securities for purposes of United States Federal and state securities laws (*provided, however*, that to the extent such Borrower Materials constitute Information, they shall be treated as set forth in Section 9.12); (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Side Information"; and (z) the Administrative Agent and the Lead Arrangers shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Side Information." Notwithstanding the foregoing, the Borrower shall be under no obligation to mark any Borrower Materials "PUBLIC"; *provided* that the following Borrower Materials may be marked "PUBLIC" unless the Borrower, after receiving notice from the Administrative Agent within a reasonable period of time prior to the intended distribution of such Borrower Materials, notifies the Administrative Agent that such Borrower Materials contain material non-public information: (1) the Loan Documents and (2) any notification of changes in the terms of the facilities provided hereunder.

The Borrower hereby represents and warrants that each of the Borrower, its controlling Person and each of its subsidiaries, either (i) has no registered or publicly traded securities outstanding, or (ii) files its financial statements with the SEC and/or makes its financial statements available to potential holders of its 144A securities, and, accordingly, the Borrower hereby (i) authorizes the Administrative Agent to make the financial statements to be provided under Sections 5.01(a) and (b) above, along with the Loan Documents, available to Public Lenders and (ii) agrees that at the time such financial statements are provided hereunder, they shall already have been made available to holders of its securities.

The Borrower will not request that any other material be posted to Public Lenders without expressly representing and warranting to the Administrative Agent in writing that such materials do not constitute material non-public information within the meaning of the federal securities laws or that the Borrower has no outstanding publicly traded securities, including 144A securities. In no event shall the Administrative Agent post compliance certificates or budgets to Public Lenders.

Section 5.02. Notices of Material Events. Promptly after any Responsible Officer of Holdings or the Borrower obtains actual knowledge thereof, Holdings or the Borrower will furnish to the Administrative Agent (for distribution to each Lender through the Administrative Agent) written notice of the following:

(a) the occurrence of any Default;

(b) the filing or commencement of any action, suit or proceeding by or before any arbitrator, Governmental Authority or Regulatory Supervising Organization against or, to the knowledge of a Financial Officer, a Responsible Officer or another executive officer of Holdings, any Intermediate Parent, the Borrower or any Subsidiary, affecting Holdings, any Intermediate Parent, the Borrower or any Subsidiary or the receipt of a notice of an Environmental Liability, in each case, that could reasonably be expected to result in a Material Adverse Effect;

(c) the commencement of any investigation by any Governmental Authority of or affecting Holdings, the Borrower or any Subsidiary that could reasonably be expected to result in a Material Adverse Effect;

(d) the occurrence of any ERISA Event that could reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect;

(e) the appearance of Holdings, the Borrower or any Subsidiary or Vincent Viola on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by OFAC and/or the United States Department of Treasury, or identified in any related executive orders issued by the President of the United States; and

(f) if the Borrower has previously provided a Beneficial Ownership Certification to any Lender in connection with this Agreement, any change in the information provided in such Beneficial Ownership Certification that would result in a change to the list of beneficial owners identified in such certification.

Each notice delivered under this Section shall be accompanied by a written statement of a Responsible Officer of Holdings or the Borrower setting forth the details of the event or development requiring such notice and any action taken or proposed to be taken with respect thereto.

Section 5.03. Information Regarding Collateral.

(a) Holdings or the Borrower will furnish to the Administrative Agent prompt (and in any event within 30 days or such longer period as reasonably agreed to by the Administrative Agent) written notice of any change (i) in any Loan Party's legal name (as set forth in its certificate of organization or like document), (ii) in the jurisdiction of incorporation or organization of any Loan Party or in the form of its organization or (iii) in any Loan Party's organizational identification number.

(b) Not later than five days after delivery of financial statements pursuant to Section 5.01(a) or (b) (and, in any event, not later than five days after the date on which such financial statements were required to have been delivered), Holdings or the Borrower shall deliver to the Administrative Agent a certificate executed by a Responsible Officer of Holdings or the Borrower (i) setting forth the information required pursuant to Sections 1(a)(i), 1(b), 2, 5, 6 and 8 of the Perfection Certificate or confirming that there has been no change in such information since the date of the Perfection Certificate delivered as of the Closing Date or the date of the most recent certificate delivered pursuant to this Section, (ii) identifying any Wholly Owned Subsidiary that has become, or ceased to be, a Material Subsidiary during the most recently ended fiscal quarter and (iii) certifying that all notices required to be given prior to the date of such certificate by this Section 5.03 have been given.

Section 5.04. Existence; Conduct of Business. Each of Holdings and the Borrower will, and will cause each Intermediate Parent and Restricted Subsidiary to, do or cause to be done all things necessary to obtain, preserve, renew and keep in full force and effect its legal existence and the rights, licenses, permits, privileges, franchises (including exchange memberships), patents, copyrights, trademarks, trade names and Governmental Approvals material to the conduct of its business, except to the extent (other than with respect to the preservation of the existence of Holdings and the Borrower) that the failure to do so, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect; *provided* that the foregoing shall not prohibit any merger, consolidation, liquidation or dissolution permitted under Section 6.03 or any Disposition permitted by Section 6.05.

Section 5.05. Payment of Taxes, Etc. Each of Holdings and the Borrower will, and will cause each Intermediate Parent and Restricted Subsidiary to, pay its obligations in respect of Tax liabilities, assessments and governmental charges, before

the same shall become delinquent or in default, except where the failure to make such payment could not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect.

Section 5.06. Maintenance of Properties. Each of Holdings and the Borrower will, and will cause each Restricted Subsidiary to, keep and maintain all property material to the conduct of its business in good working order and condition, ordinary wear and tear excepted, except where the failure to do so could not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 5.07. Insurance. Each of Holdings and the Borrower will, and will cause each Restricted Subsidiary to, maintain, with insurance companies that Holdings believes (in the good faith judgment of the management of Holdings) are financially sound and responsible at the time the relevant coverage is placed or renewed, insurance in at least such amounts (after giving effect to any self-insurance which Holdings believes (in the good faith judgment of management of Holdings) is reasonable and prudent in light of the size and nature of its business) and against at least such risks (and with such risk retentions) as Holdings believes (in the good faith judgment of the management of Holdings) are reasonable and prudent in light of the size and nature of its business, and will furnish to the Lenders, upon written request from the Administrative Agent, information presented in reasonable detail as to the insurance so carried. Each such policy of insurance shall, unless otherwise agreed to by the Administrative Agent, (a) name the Administrative Agent, on behalf of the Lenders, as an additional insured thereunder as its interests may appear and (b) in the case of each casualty insurance policy, contain a loss payable clause or endorsement that names the Administrative Agent, on behalf of the Lenders, as the loss payee thereunder.

Section 5.08. Books and Records; Inspection and Audit Rights; Quarterly Teleconferences.

(a) Each of Holdings and the Borrower will, and will cause each Intermediate Parent and Restricted Subsidiary to, maintain proper books of record and account in which entries that are full, true and correct in all material respects and are in conformity with GAAP consistently applied shall be made of all material financial transactions and matters involving the assets and business of Holdings, the Borrower, such Intermediate Parent or such Restricted Subsidiary, as the case may be. Each of Holdings and the Borrower will, and will cause each Intermediate Parent and Restricted Subsidiary to, permit any representatives designated by the Administrative Agent or any Lender, upon reasonable prior notice, to visit and inspect its properties, to examine and make extracts from its books and records, and to discuss its affairs, finances and condition with its officers and independent accountants, all at such reasonable times and as often as reasonably requested; provided that, excluding any such visits and inspections during the continuation of an

Event of Default, only the Administrative Agent on behalf of the Lenders may exercise visitation and inspection rights of the Administrative Agent and the Lenders under this Section 5.08 and the Administrative Agent shall not exercise such rights more often than two times during any calendar year absent the existence of an Event of Default and, absent the existence of an Event of Default, only one such time shall be at the Borrower's expense; provided, further, that (i) when an Event of Default exists, the Administrative Agent or any Lender (or any of their respective representatives or independent contractors) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and upon reasonable advance notice and (ii) the Administrative Agent and the Lenders shall give Holdings and the Borrower the opportunity to participate in any discussions with Holdings' or the Borrower's independent public accountants.

(b) Within 10 Business Days after the earlier of (x) the delivery of any financial statements required to be delivered under Section 5.01(a) or (b) and (y) the date on which such financial statements were required to have been delivered, the Borrower shall host a teleconference meeting with the Lenders to discuss the results presented therein or for the applicable period, as applicable, and such other matters reasonably related thereto.

Section 5.09. Compliance with Laws. Each of Holdings and the Borrower will, and will cause each Intermediate Parent and Restricted Subsidiary to, comply with its Organizational Documents and all Requirements of Law (including Environmental Laws, ERISA and the USA Patriot Act) with respect to it, its property and operations, except where the failure to do so, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Effect.

Section 5.10. Use of Proceeds.

(a) The proceeds of the Refinancing Term Loans received on the Closing Date shall be used solely to consummate the Closing Date Refinancings and to pay fees and expenses in connection therewith.

(b) The proceeds of the Acquisition Term Loans received on the Closing Date shall be used solely to consummate the Acquisition and to pay fees and expenses in connection herewith and therewith.

(c) The Borrower and its Restricted Subsidiaries will use the proceeds of Borrowings of Revolving Loans and Letters of Credit issued hereunder and the proceeds of any Incremental Revolving Facility or

pursuant to any Incremental Term Facility for working capital and other general corporate purposes (including the financing of Permitted Acquisitions).

(d) The proceeds of the Additional Term B Loans received on the Amendment No. 1 Effective Date shall be used solely to consummate the Amendment No. 1 Transactions.

Section 5.11. Additional Subsidiaries.

(a) If (i) any additional Restricted Subsidiary is formed or acquired after the Closing Date or (ii) if any Restricted Subsidiary ceases to be an Excluded Subsidiary, an Immaterial Subsidiary, a Foreign Subsidiary, a Regulated Subsidiary or an Excluded Domestic Subsidiary, Holdings or the Borrower will, within 30 days after such formation, acquisition or cessation, notify the Administrative Agent thereof, and will cause (x) such Restricted Subsidiary (unless such Restricted Subsidiary is an Excluded Subsidiary, a Foreign Subsidiary, a Regulated Subsidiary or an Excluded Domestic Subsidiary) to satisfy the Collateral and Guarantee Requirement with respect to such Restricted Subsidiary and (y) any Loan Party that owns any Equity Interests in or Indebtedness of any such Restricted Subsidiary to satisfy the Collateral and Guarantee Requirement with respect to such Equity Interests and Indebtedness, in each case within 30 days after such notice (or such longer period as the Administrative Agent shall reasonably agree and the Administrative Agent shall have received a completed Perfection Certificate with respect to such Restricted Subsidiary signed by a Responsible Officer, together with all attachments contemplated thereby).

(b) Within 30 days (or such longer period as the Administrative Agent may reasonably agree) after Holdings or the Borrower identifies any new Material Subsidiary pursuant to Section 5.03(b), all actions (if any) required to be taken with respect to such Subsidiary in order to satisfy the Collateral and Guarantee Requirement shall have been taken with respect to such Subsidiary.

Section 5.12. Further Assurances.

(a) Each of Holdings and the Borrower will, and will cause each Loan Party to, execute any and all further documents, financing statements, agreements and instruments, and take all such further actions (including the filing and recording of financing statements, fixture filings, mortgages, deeds of trust and other documents), that may be required

under any applicable law or that the Administrative Agent or the Required Lenders may reasonably request, to cause the Collateral and Guarantee Requirement to be and remain satisfied, all at the expense of the Loan Parties.

(b) If, after the Closing Date, any material assets (including any owned (but not leased) real property or improvements thereto or any interest therein with a fair market value in excess of \$5,000,000) are acquired by the Borrower or any other Loan Party or are held by any Subsidiary on or after the time it becomes a Loan Party pursuant to Section 5.11 (other than assets constituting Collateral under a Security Document that become subject to the Lien created by such Security Document upon acquisition thereof or constituting Excluded Assets), the Borrower will notify the Administrative Agent thereof, and, if requested by the Administrative Agent, the Borrower will cause such assets to be subjected to a Lien securing the Secured Obligations and will take, and cause the other Loan Parties to take, such actions as shall be necessary and reasonably requested by the Administrative Agent to grant and perfect such Liens, including actions described in paragraph (a) of this Section, all at the expense of the Loan Parties and subject to the last paragraph of the definition of the term “Collateral and Guarantee Requirement.”

Section 5.13. Designation of Subsidiaries. The Borrower may at any time after the Closing Date designate any Restricted Subsidiary (other than the Borrower or any Intermediate Parent) as an Unrestricted Subsidiary or any Unrestricted Subsidiary as a Restricted Subsidiary; *provided* that (a) immediately before and after such designation on a Pro Forma Basis, no Event of Default shall have occurred and be continuing, (b) immediately after giving effect to such designation or redesignation, the Borrower shall be in compliance, on a Pro Forma Basis, with a Net First Lien Leverage Ratio of 4.00:1.00 recomputed as of the last day of the most recent Test Period for which financial statements are available and (c) no Subsidiary may be designated as an Unrestricted Subsidiary or continue as an Unrestricted Subsidiary if it is a “Restricted Subsidiary” for the purpose of any other Indebtedness of Holdings or the Borrower. The designation of any Subsidiary as an Unrestricted Subsidiary after the Closing Date shall constitute an Investment by the Borrower therein at the date of designation (the “**Designation Date**”) in an amount equal to the fair market value of the Borrower’s or its Subsidiary’s (as applicable) investment therein. The designation of any Unrestricted Subsidiary as a Restricted Subsidiary shall constitute (i) the incurrence at the time of designation of any Investment, Indebtedness or Liens of such Subsidiary existing at such time and (ii) a return on any Investment by the Borrower in Unrestricted Subsidiaries pursuant to the preceding sentence in an amount equal to the fair market value at the Designation Date of the Borrower’s or its Subsidiary’s (as applicable) Investment in such Subsidiary.

Notwithstanding the foregoing, any Unrestricted Subsidiary that has been re-designated a Restricted Subsidiary may not be subsequently re-designated as an Unrestricted Subsidiary.

Section 5.14. Maintenance of Ratings. The Borrower will use commercially reasonable efforts to maintain a corporate credit rating from S&P and a corporate family rating from Moody's, in each case with respect to the Borrower, and a rating of the Term Loans and (prior to the Revolving Maturity Date, the Revolving Facility) by each of S&P and Moody's.

Section 5.15. Regulatory Matters. The Borrower will, and will cause each of its Regulated Subsidiaries to, comply in all material respects with all material rules and regulations, as applicable, of the SEC, FINRA or any other applicable domestic or foreign Governmental Authority or Regulatory Supervising Organization (including such rules and regulations dealing with net capital or other applicable requirements), except, with respect to all such matters, other than noncompliance by such Regulated Subsidiaries with minimum capital requirements, to the extent that failure to comply therewith would not, in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 5.16. Certain Post-Closing Obligations. Notwithstanding any provision herein or in any other Loan Document to the contrary, to the extent not actually delivered on or prior to the Closing Date, the Borrower shall, and shall cause each applicable Loan Party, to take such actions set forth on Schedule 5.16 by the times specified on such Schedule 5.16 with respect to such actions, or such later time as the Administrative Agent may agree in its reasonable discretion. All conditions precedent, covenants and representations and warranties contained in this Agreement and the other Loan Documents shall be deemed modified to the extent necessary to effect the foregoing (and to permit the taking of the actions described on Schedule 5.16 within the time periods required by this Section 5.16, rather than as elsewhere provided in the Loan Documents).

ARTICLE 6
NEGATIVE COVENANTS

Each of Holdings and the Borrower covenants and agrees with the Administrative Agent and each of the Lenders that, until the Termination Date:

Section 6.01. Indebtedness; Certain Equity Securities.

(a) Holdings and the Borrower will not, and will not permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Indebtedness, except:

- (i) Indebtedness of Holdings, the Borrower and any of the Restricted Subsidiaries under the Loan Documents (including any Indebtedness incurred pursuant to Section 2.18 or 2.19);
- (ii) (A) Indebtedness outstanding on the Closing Date (*provided* that any such Indebtedness that is (x) not intercompany Indebtedness and (y) in excess

of \$2,000,000 shall be listed on Schedule 6.01), (B) Indebtedness in respect of the Second Lien Notes, (C) Indebtedness in respect of the Existing Yen Bonds, and (D) any Permitted Refinancing of any of the foregoing;

(iii) Guarantees by Holdings, the Borrower and the Restricted Subsidiaries in respect of Indebtedness of the Borrower or any Restricted Subsidiary otherwise permitted hereunder; *provided* that such Guarantee is otherwise permitted by Section 6.04; *provided, further*, that (A) no Guarantee by any Restricted Subsidiary of any Junior Financing or the Second Lien Notes shall be permitted unless such Restricted Subsidiary shall have also provided a Guarantee of the Loan Document Obligations pursuant to the Guarantee Agreement, (B) if the Indebtedness being Guaranteed is subordinated to the Loan Document Obligations, such Guarantee shall be subordinated to the Guarantee of the Loan Document Obligations on terms at least as favorable to the Lenders as those contained in the subordination of such Indebtedness, (C) no Guarantee by a Regulated Subsidiary of any Trading Debt of a non-Regulated Subsidiary shall be permitted unless such non-Regulated Subsidiary is consolidated with such Regulated Subsidiary for regulatory capital purposes, (D) no Guarantee by a Domestic Subsidiary that is not a Regulated Subsidiary of any Trading Debt shall be permitted unless such Domestic Subsidiary is a Subsidiary Loan Party and (E) any such Guarantee of Trading Debt shall be unsecured;

(iv) Indebtedness of the Borrower owing to any Restricted Subsidiary or of any Restricted Subsidiary owing to any other Restricted Subsidiary or the Borrower or Holdings to the extent permitted by Section 6.04; *provided* that all such Indebtedness of any Loan Party owing to any Restricted Subsidiary that is not a Loan Party shall be subordinated to the Loan Document Obligations (but only to the extent permitted by applicable law and not giving rise to adverse tax consequences) on terms (i) at least as favorable to the Lenders as those set forth in the form of intercompany note attached as Exhibit H or (ii) otherwise reasonably satisfactory to the Administrative Agent;

(v) (A) Indebtedness (including Capital Lease Obligations) of the Borrower or any Restricted Subsidiaries financing the acquisition, construction, repair, replacement or improvement of fixed or capital assets, other than software; *provided* that such Indebtedness is incurred concurrently with or within 270 days after the applicable acquisition, construction, repair, replacement or improvement, and (B) any Permitted Refinancing thereof;

(vi) Indebtedness in respect of Swap Agreements permitted by Section 6.07;

(vii) (A) (1) Indebtedness of any Restricted Subsidiary that is not a Loan Party that is acquired by the Borrower or any Restricted Subsidiary after the Closing Date or of a Person that is merged, consolidated or amalgamated after the Closing Date with a Restricted Subsidiary of the Borrower that is not a Loan Party, in each case, in connection with a Permitted Acquisition or another Investment permitted hereunder and (2) Indebtedness of a Joint Venture existing at the time the initial Investment by the Borrower or a Restricted Subsidiary is made in such Joint Venture;

provided that, in the case of each of clauses (1) and (2), (x) such Indebtedness is not incurred in contemplation of or in connection with such Permitted Acquisition, other Investment or initial Investment, (y) no Event of Default shall exist or result therefrom and (z) such Indebtedness shall not be secured by any assets constituting Collateral; and (B) any Permitted Refinancing of any of the foregoing;

(viii) (A) Indebtedness of the Borrower or any of its Restricted Subsidiaries; *provided* that (1) after giving effect to the incurrence of such Indebtedness and the use of proceeds thereof, (x) in the case of Indebtedness secured by Liens on the Collateral ranking *pari passu* with the Liens on the Collateral securing the Initial Term Loans or the Initial Revolving Loans, the First Lien Leverage Ratio calculated on a Pro Forma Basis as of the end of the most recent Test Period for which financial statements are available is not greater than the First Lien Incurrence Ratio, (y) in the case of Indebtedness secured by Liens on the Collateral ranking junior to the Liens on the Collateral securing the Initial Term Loans or the Initial Revolving Loans, the Secured Leverage Ratio calculated on a Pro Forma Basis as of the end of the most recent Test Period for which financial statements are available is not greater than the Secured Leverage Incurrence Ratio and (z) in the case of other Indebtedness, either (i) the Total Leverage Ratio calculated on a Pro Forma Basis as of the end of the most recent Test Period for which financial statements are available is not greater than the Total Leverage Incurrence Ratio or (ii) the Fixed Charge Coverage Ratio calculated on a Pro Forma Basis as of the end of the most recent Test Period for which financial statements are available is not less than the Fixed Charge Coverage Incurrence Ratio, (2) if such Indebtedness is in the form of term loans and is secured by Liens on the Collateral ranking *pari passu* with the Liens on the Collateral securing the Initial Term Loans, the Initial Term Loans shall have the benefit of the MFN Protections (with each reference in the definition thereof set forth in Section 2.18(a)(ii) to “Incremental Term Facility” being deemed to be a reference to such Indebtedness), (3) (x) such Indebtedness shall, if incurred by a Loan Party, not be incurred by or subject to any Guarantee by any Person other than a Loan Party or secured by any assets other than Collateral, (y) the security agreements relating to such Indebtedness (to the extent secured) shall be substantially the same as the Security Documents (with any material differences being reasonably satisfactory to the Administrative Agent) and (z) if secured, such Indebtedness and any agent or trustee under the agreements or indenture governing such Indebtedness shall be subject to the First Lien Intercreditor Agreement or Junior Lien Intercreditor Agreement, as applicable; *provided* that if such Indebtedness is issued pursuant to an agreement or indenture that has not previously been made subject thereto, then the Loan Parties, the Administrative Agent and the Senior Representative for such Indebtedness shall have executed and delivered an appropriate supplement or joinder to the First Lien Intercreditor Agreement or the Junior Lien Intercreditor Agreement, as applicable, (4) such Indebtedness shall not have any mandatory prepayment provisions (other than provisions related to customary asset sale and change of control offers) that would result in prepayments of such Indebtedness prior to the Initial Term Loans; *provided, however*, that if such Indebtedness is secured by Liens on the Collateral on a *pari passu* basis with the Initial Term Loans, such Indebtedness may have mandatory prepayment provisions that provide for pro rata or less than pro rata (but not greater than pro rata) prepayments with the Initial Term Loans, (5) such Indebtedness shall

not mature prior the Latest Maturity Date and shall not have a Weighted Average Life to Maturity shorter than the Weighted Average Life to Maturity of the Initial Term Loans, (6) if such Indebtedness is incurred by one or more Loan Parties, such Indebtedness shall have terms and conditions (other than pricing, optional prepayment, redemption premiums and subordination terms), taken as a whole, that are no more favorable to the investors providing such Indebtedness than the terms and conditions of this Agreement (except for covenants or other provisions applicable only to periods after the Latest Maturity Date) as determined by the Borrower in good faith, and (7) immediately after giving effect thereto and the use of the proceeds thereof, no Default or Event of Default shall exist or result therefrom (or, in the case of the incurrence or provision of such Indebtedness in connection with a Limited Condition Acquisition, no Event of Default under Section 7.01(a), (b), (h) or (i) shall have occurred and be continuing or shall result therefrom); *provided* that at the time of incurrence thereof, the aggregate outstanding principal amount of Indebtedness (other than Indebtedness constituting any revolving facility) incurred by Restricted Subsidiaries that are not Loan Parties or Regulated Subsidiaries under clauses (x), (y) and (z) collectively, together with the Indebtedness incurred by Restricted Subsidiaries that are not Loan Parties or Regulated Subsidiaries under clauses (x), (y) and (z) of Section 6.01(a)(ix), collectively, shall not exceed \$10,000,000 and (B) any Permitted Refinancing thereof;

(ix) (A) Indebtedness of the Borrower or any of its Restricted Subsidiaries incurred to finance, or assumed in connection with, a Permitted Acquisition or other Investment permitted under Section 6.04 or New Project not prohibited hereunder and existing Indebtedness of any Person that becomes a Restricted Subsidiary in connection with such Permitted Acquisition, Investment or New Project; *provided* that (1) after giving effect to the assumption or incurrence of such Indebtedness and the use of proceeds thereof, (x) in the case of Indebtedness secured by Liens on the Collateral ranking *pari passu* with the Liens on the Collateral securing the Initial Term Loans, the First Lien Leverage Ratio calculated on a Pro Forma Basis as of the end of the most recent Test Period for which financial statements are available either (I) does not exceed the First Lien Incurrence Ratio or (II) is not greater than the First Lien Leverage Ratio immediately prior to such Permitted Acquisition, other Investment or New Project, (y) in the case of Indebtedness secured by Liens on the Collateral ranking junior to the Liens on the Collateral securing the Initial Term Loans, the Secured Leverage Ratio calculated on a Pro Forma Basis as of the end of the most recent Test Period for which financial statements are available either (I) does not exceed the Secured Leverage Incurrence Ratio or (II) is not greater than the Secured Leverage Ratio immediately prior to such Permitted Acquisition, other Investment or New Project and (z) in the case of other Indebtedness, if the Unsecured Leverage Test is satisfied; *provided* that at the time of incurrence thereof, the aggregate outstanding principal amount of Indebtedness (other than Indebtedness constituting any revolving facility) incurred by Restricted Subsidiaries that are not Loan Parties or Regulated Subsidiaries under clauses (x), (y) and (z) collectively, together with the Indebtedness incurred by Restricted Subsidiaries that are not Loan Parties or Regulated Subsidiaries under clauses (x), (y) and (z) of Section 6.01(a)(viii), collectively, shall not exceed \$10,000,000 (2) if such Indebtedness is in the form of term loans and is secured by

Liens on the Collateral ranking *pari passu* with the Liens on the Collateral securing the Initial Term Loans, the Initial Term Loans shall have the benefit of the MFN Protections (with each reference in the definition thereof set forth in Section 2.18(a)(ii) to “Incremental Term Facility” being deemed to be a reference to such Indebtedness), (3)(w) such Indebtedness shall, if incurred by a Loan Party, not be incurred by or subject to any Guarantee by any Person other than a Loan Party or secured by any assets other than Collateral, (x) the security agreements relating to such Indebtedness (to the extent secured by Collateral) shall be substantially the same as the Security Documents (with any material differences being reasonably satisfactory to the Administrative Agent), (y) any Indebtedness incurred by a Restricted Subsidiary that is not a Loan Party shall only be secured by assets of Restricted Subsidiaries that are not Loan Parties and (z) if such Indebtedness is secured by Collateral, any agent or trustee under the agreements or indenture governing such Indebtedness shall be subject to the First Lien Intercreditor Agreement or Junior Lien Intercreditor Agreement, as applicable; *provided* that if such Indebtedness is issued pursuant to an agreement or indenture that has not previously been made subject thereto, then the Loan Parties, the Administrative Agent and the Senior Representative for such Indebtedness shall have executed and delivered an appropriate supplement or joinder to the First Lien Intercreditor Agreement or the Junior Lien Intercreditor Agreement, as applicable, (4) such Indebtedness (other than existing Indebtedness that is assumed (and not incurred) so long as the relevant requirement is not entered into in contemplation of this provision) shall not have any mandatory prepayment provisions (other than provisions related to customary asset sale and change of control offers) that would result in prepayments of such Indebtedness prior to the Initial Term Loans; *provided, however*, that if such Indebtedness is secured by Liens on the Collateral on a *pari passu* basis with the Initial Term Loans, such Indebtedness may have mandatory prepayment provisions that provide for pro rata or less than pro rata (but not greater than pro rata) prepayments with the Initial Term Loans, (5) such Indebtedness shall not have a maturity date earlier than or a Weighted Average Life to Maturity shorter than those applicable to the Initial Term Loans, (6) if such Indebtedness is secured by Liens on the Collateral, such Indebtedness shall have terms and conditions (other than pricing, optional prepayment, redemption premiums and subordination terms), taken as a whole, that are no more favorable to the investors providing such debt than the terms and conditions of this Agreement (except for covenants or other provisions applicable only to periods after the Latest Maturity Date) as determined by the Borrower in good faith, and (7) immediately after giving effect thereto and the use of the proceeds thereof, no Event of Default shall exist or result therefrom (or, in the case of the incurrence or provision of such Indebtedness in connection with a Limited Condition Acquisition, no Event of Default under Section 7.01(a), (b), (h) or (i) shall have occurred and be continuing or shall result therefrom); and (B) and any Permitted Refinancing thereof;

(x) [reserved];

(xi) Indebtedness representing deferred compensation to employees of Holdings and its Restricted Subsidiaries incurred in the ordinary course of business;

(xii) Indebtedness consisting of unsecured promissory notes issued by any Loan Party to current or former officers, directors and employees, their permitted transferees, or their respective estates, executors, trustees, administrators, heirs, legatees or distributees to finance the purchase or redemption of Equity Interests of Holdings (or any direct or indirect parent thereof or any Employee Holding Vehicle) permitted by Section 6.08(a);

(xiii) Indebtedness constituting indemnification obligations or obligations in respect of purchase price or other similar adjustments incurred in a Permitted Acquisition, any other Investment or any Disposition, in each case permitted under this Agreement;

(xiv) Indebtedness consisting of obligations under deferred compensation or other similar arrangements incurred in connection with any Permitted Acquisition or other Investment permitted hereunder;

(xv) Cash Management Obligations and other Indebtedness in respect of netting services, overdraft protections and similar arrangements, in each case, incurred in the ordinary course of business in connection with deposit accounts;

(xvi) Indebtedness of Holdings, the Borrower and any of the Restricted Subsidiaries; *provided* that at the time of the incurrence thereof and after giving Pro Forma Effect thereto and the use of the proceeds thereof, the aggregate principal amount of Indebtedness outstanding in reliance on this clause (xvi) shall not exceed the greater of \$300,000,000 and 40% of Consolidated EBITDA for the most recently ended Test Period for which financial statements are available;

(xvii) Indebtedness consisting of (A) the financing of insurance premiums or (B) take-or-pay obligations contained in supply arrangements, in each case in the ordinary course of business;

(xviii) Indebtedness incurred by the Borrower or any of the Restricted Subsidiaries in respect of letters of credit, bank guarantees, bankers' acceptances or similar instruments issued or created in the ordinary course of business, including in respect of workers compensation claims, health, disability or other employee benefits or property, casualty or liability insurance or self-insurance or other reimbursement-type obligations regarding workers compensation claims;

(xix) obligations in respect of performance, bid, appeal and surety bonds and performance and completion guarantees and similar obligations provided by Holdings or any of its Restricted Subsidiaries or obligations in respect of letters of credit, bank guarantees or similar instruments related thereto, in each case in the ordinary course of business or consistent with past practice;

(xx) Permitted Unsecured Refinancing Debt, and any Permitted Refinancing thereof;

(xxi) Permitted First Priority Refinancing Debt and Permitted Junior Lien Refinancing Debt, and any Permitted Refinancing thereof;

(xxii) (A) Indebtedness of the Borrower in respect of one or more series of loans, bonds, notes or debentures that will be unsecured or secured by Liens on the Collateral on a *pari passu* or junior basis with the Liens on the Collateral securing the Initial Term Loans and that are issued or made in lieu of Incremental Facilities; *provided* that at the time of the incurrence thereof and after giving Pro Forma Effect thereto and to the use of the proceeds thereof, the aggregate principal amount incurred shall not exceed the Incremental Cap (the “**Incremental Equivalent Debt**”); *provided, further*, that (i) such Incremental Equivalent Debt is not scheduled to mature prior to the Latest Maturity Date then in effect and such Incremental Equivalent Debt shall not have a Weighted Average Life to Maturity shorter than the Weighted Average Life to Maturity of the Term Loans then in effect, (ii) such Incremental Equivalent Debt shall not have any mandatory prepayment provisions (other than provisions related to customary asset sale and change of control offers) that would result in prepayments of such Incremental Equivalent Debt prior to the Term Loans then outstanding; *provided, however*, that if such Indebtedness is secured by Liens on the Collateral on a *pari passu* basis with any Class of Term Loans, such Indebtedness may have mandatory prepayment provisions that provide for pro rata or less than pro rata (but not greater than pro rata) prepayments with such Class of Term Loans, (iii) such Incremental Equivalent Debt has terms and conditions (other than pricing, optional prepayment, redemption premiums and subordination terms) that are no more favorable in any material respect (taken as a whole) to the investors providing such Incremental Equivalent Debt than the terms and conditions of this Agreement (except for covenants or other provisions applicable only to periods after the Latest Maturity Date) as determined by the Borrower in good faith, (iv) at the time when such Incremental Equivalent Debt is issued, the aggregate principal amount issued may not exceed the Incremental Cap, (v) (1) such Incremental Equivalent Debt shall not be Guaranteed by any Person other than a Loan Party, (2) the obligations in respect thereof shall not be secured by any Lien on any asset other than any asset constituting Collateral, (3) the security agreements relating to such Incremental Equivalent Debt shall be substantially the same as the Security Documents (with any material differences being reasonably satisfactory to the Administrative Agent), and (4) if such Incremental Equivalent Debt is secured, such Incremental Equivalent Debt and the trustee, administrative agent or other representative under the agreement governing such Incremental Equivalent Debt shall be subject to the First Lien Intercreditor Agreement or Junior Lien Intercreditor Agreement, as applicable; *provided* that if such Incremental Equivalent Debt is issued pursuant to an agreement that has not previously been made subject thereto, then Holdings, the Borrower, the Subsidiary Loan Parties, the Administrative Agent and the Senior Representative for such Incremental Equivalent Debt shall have executed and delivered an appropriate supplement or joinder to the First Lien Intercreditor Agreement or the Junior Lien Intercreditor Agreement, as applicable, (vi) such Indebtedness shall not have any mandatory prepayment provisions (other than provisions related to customary asset sale and change of control offers) that would result in prepayments of such Indebtedness prior to the Initial Term Loans; *provided, however*, that if such Indebtedness is secured on a *pari passu* basis with the Initial Term Loans, such Indebtedness may have mandatory prepayment provisions that provide for pro rata or less than pro rata (but not greater than pro rata) prepayments with the Initial Term Loans, (vii) no Default shall have occurred and be continuing or shall result

therefrom (or, in the case of the incurrence or provision of any Incremental Term Facility in connection with a Limited Condition Acquisition, no Event of Default under Section 7.01(a), (b), (h) or (i) shall have occurred and be continuing or shall result therefrom) and (viii) if such Incremental Equivalent Debt is in the form of term loans secured on a *pari passu* basis with the Initial Term Loans, such the Initial Term Loans shall have the benefit of the MFN Protections, and (B) any Permitted Refinancing thereof;

(xxiii) Trading Debt incurred in the ordinary course of business or in a manner consistent with past practices;

(xxiv) (A) Indebtedness of Joint Ventures and/or Indebtedness incurred on behalf thereof or representing Guarantees of Indebtedness of Joint Ventures; *provided* that at the time of the incurrence thereof and after giving Pro Forma Effect thereto and the use of proceeds thereof, the aggregate principal amount of Indebtedness outstanding in reliance on this clause (xxiv), together with the aggregate principal amount of Indebtedness outstanding in reliance on clause (xxv) below, shall not exceed the greater of \$190,000,000 and 25% of Consolidated EBITDA for the most recently ended Test Period for which financial statements are available and (B) any Permitted Refinancing thereof;

(xxv) (A) Indebtedness of a Restricted Subsidiary that is not a Loan Party; *provided* that at the time of the incurrence thereof and after giving Pro Forma Effect thereto and the use of proceeds thereof, the aggregate principal amount of Indebtedness outstanding in reliance on this clause (xxv), together with the aggregate principal amount of Indebtedness outstanding in reliance on clause (xxiv) above, shall not exceed the greater of \$190,000,000 and 25% of Consolidated EBITDA for the most recently ended Test Period for which financial statements are available and (B) any Permitted Refinancing thereof;

(xxvi) additional Indebtedness of Holdings, the Borrower or any Restricted Subsidiary; *provided* that at the time of the incurrence thereof and after giving Pro Forma Effect thereto and the use of the proceeds thereof, the aggregate principal amount of such Indebtedness incurred shall not exceed the Available RP Capacity Amount at such time; and

(xxvii) all premiums (if any), interest (including post-petition interest and capitalized or paid in kind interest), fees, expenses, charges and additional or contingent interest on obligations described in clauses (i) through (xxvi) above.

(b) Neither Holdings nor the Borrower will, nor will they permit any Restricted Subsidiary to, issue any preferred Equity Interests or any Disqualified Equity Interests, except (A) in the case of Holdings, preferred Equity Interests that are Qualified Equity Interests and (B) in the case of the Borrower or any Restricted Subsidiary, preferred Equity Interests issued to and held by Holdings, the Borrower or any Restricted Subsidiary.

Section 6.02. Liens. Neither Holdings nor the Borrower will, nor will they permit any Restricted Subsidiary to, create, incur, assume or permit to exist any Lien on any property or asset now owned or hereafter acquired by it, except:

(i) Liens created under the Loan Documents;

(ii) Permitted Encumbrances;

(iii) Liens existing on the Closing Date and set forth on Schedule 6.02 (other than Liens securing the Second Lien Notes) and any modifications, replacements, renewals or extensions thereof; *provided* that (A) such modified, replacement, renewal or extension Lien does not extend to any additional property other than (x) after-acquired property that is affixed or incorporated into the property covered by such Lien and (y) proceeds and products thereof, and (B) the obligations secured or benefited by such modified, replacement, renewal or extension Lien are, if Indebtedness, permitted by Section 6.01 or, if not Indebtedness, not prohibited hereunder;

(iv) Liens securing Indebtedness permitted under Section 6.01(a)(v); *provided* that (A) such Liens attach concurrently with or within 270 days after the acquisition, repair, replacement, construction or improvement (as applicable) of the property subject to such Liens, (B) such Liens do not at any time encumber any property other than the property financed by such Indebtedness except for accessions to such property and the proceeds and the products thereof and (C) with respect to Capital Lease Obligations, such Liens do not at any time extend to or cover any assets (except for accessions to or proceeds of such assets) other than the assets subject to such Capital Lease Obligations; *provided, further*, that individual financings of equipment provided by one lender may be cross collateralized to other financings of equipment provided by such lender;

(v) leases, licenses, subleases or sublicenses granted to others that do not (A) interfere in any material respect with the business of Holdings and its Restricted Subsidiaries, taken as a whole, or (B) secure any Indebtedness;

(vi) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(vii) Liens (A) of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection and (B) in favor of a banking institution arising as a matter of law encumbering deposits (including the right of setoff) and that are within the general parameters customary in the banking industry;

(viii) Liens (A) on cash advances or escrow deposits in favor of the seller of any property to be acquired in an Investment permitted pursuant to Section 6.04 to be applied against the purchase price for such Investment or otherwise in connection with any escrow arrangements with respect to any such Investment or any Disposition permitted under Section 6.05 (including any letter of intent or

purchase agreement with respect to such Investment or Disposition), or (B) consisting of an agreement to dispose of any property in a Disposition permitted under Section 6.05, in each case, solely to the extent such Investment or Disposition, as the case may be, would have been permitted on the date of the creation of such Lien;

(ix) Liens on property of any Restricted Subsidiary that is neither a Loan Party nor a Regulated Subsidiary, which Liens secure Indebtedness of such Restricted Subsidiary permitted under Section 6.01 or other obligations of such Restricted Subsidiary that are not prohibited hereunder;

(x) Liens granted by a Restricted Subsidiary that is not a Loan Party in favor of any Loan Party and Liens granted by a Loan Party in favor of any other Loan Party;

(xi) Liens existing on property at the time of its acquisition or existing on the property of any Person at the time such Person becomes a Restricted Subsidiary, in each case after the Closing Date (other than Liens on the Equity Interests of any Person that becomes a Restricted Subsidiary); *provided* that (A) such Lien was not created in contemplation of or in connection with such acquisition or such Person becoming a Restricted Subsidiary, (B) such Lien does not extend to or cover any other assets or property (other than the proceeds or products thereof and other than after-acquired property subject to a Lien securing Indebtedness and other obligations incurred prior to such time and which Indebtedness and other obligations are permitted hereunder and that require or include, pursuant to their terms at such time, a pledge of after-acquired property, it being understood that such requirement shall not be permitted to apply to any property to which such requirement would not have applied but for such acquisition), and (C) if the obligations secured thereby constitute Indebtedness, such Indebtedness is permitted under Section 6.01(a)(v), 6.01(a)(vii)(A), 6.01(a)(vii)(B) or 6.01(a)(ix);

(xii) any interest or title of a lessor under leases (other than leases constituting Capital Lease Obligations) entered into by Holdings or any Restricted Subsidiaries in the ordinary course of business and Liens on the fee interest or any superior leasehold interest in property leased by Holdings or any Restricted Subsidiaries;

(xiii) Liens arising out of conditional sale, title retention, consignment or similar arrangements for sale of goods by Holdings or any Restricted Subsidiaries in the ordinary course of business;

(xiv) Liens deemed to exist in connection with Investments in repurchase agreements under clause (e) of the definition of the term "Permitted Investments";

(xv) (x) Liens incurred in the ordinary course of business (A) encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts, in each case not for speculative purposes or (B) in favor of clearing agencies, clearing firms, settlement banks and similar entities (acting in their capacities as such) involved in the clearance and settlement of transactions in, and custody of, financial assets and

(y) Liens on the Specified Swap Cash Collateral Account securing obligations under Specified Swap Agreements (or any substantially similar arrangement in connection with any other Swap Agreement [permitted by Section 6.07](#)) and any cash and cash equivalents deposited therein at any such time; *provided* that the aggregate amount of cash and cash equivalents subject to a Lien pursuant to this clause (xv)(y) shall at no time exceed ~~\$50,000,000~~ 150,000,000;

(xvi) Liens that are contractual rights of setoff (A) relating to the establishment of depository relations with banks not given in connection with the incurrence of Indebtedness, (B) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of Holdings and its Restricted Subsidiaries or (C) relating to purchase orders and other agreements entered into with customers of the Holdings or any Restricted Subsidiary in the ordinary course of business;

(xvii) ground leases in respect of real property on which facilities owned or leased by Holdings or any of the Restricted Subsidiaries are located;

(xviii) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto;

(xix) Liens on the Collateral securing Permitted First Priority Refinancing Debt, Permitted Junior Lien Refinancing Debt and, to the extent permitted to be secured pursuant to and subject to the requirements thereof, Indebtedness incurred under Sections 6.01(a)(viii), 6.01(a)(ix) and 6.01(a)(xxii);

(xx) Liens securing Trading Debt; *provided* that any Liens securing Trading Debt shall be limited to the commodity, futures and other accounts (including deposit accounts and securities accounts) maintained by the relevant debtor with the financial institution providing such Trading Debt (or with any of its Affiliates or third parties acting as a securities, commodities, futures or other financial intermediary or performing a similar role on behalf of such financial institutions in connection with such Trading Debt) and all cash, securities, investment property (excluding any Equity Interests of the Borrower or its Subsidiaries), instruments, payment intangibles and other assets, including assets which would be customarily subject of a Repo Agreement or customarily acceptable as "borrowing base collateral" in secured warehouse financings, in or credited to such accounts or otherwise relating to, arising out of or evidencing such accounts or assets or held in the possession of, to the order or under the direction or control of, such financial institution (or any of its Affiliates acting on its behalf) or any exchange or clearing organization through which transactions on behalf of the relevant debtor are executed or cleared and all proceeds of any of the foregoing);

(xxi) other Liens; *provided* that at the time of the granting of and after giving Pro Forma Effect to any such Lien and the obligations secured thereby (including the use of proceeds thereof) the aggregate face amount of obligations secured by Liens existing in reliance on this clause (xxi) shall not exceed the greater of \$300,000,000 and 40% of Consolidated EBITDA for the most recently ended Test Period for which financial statements are available;

(xxii) Liens securing Indebtedness permitted under Section 6.01(xxiv) and (xxv); *provided* that the assets or property securing such Liens do not include any assets or property of any Loan Party or Regulated Subsidiary; and

(xxiii) Liens securing the Second Lien Notes outstanding on the Closing Date or any Permitted Refinancing thereof; *provided* that such Liens are junior to the Liens created under the Loan Documents pursuant to a Junior Lien Intercreditor Agreement.

Section 6.03. Fundamental Changes.

(a) Neither Holdings nor the Borrower will, nor will they permit any other Restricted Subsidiary to, merge into or consolidate with any other Person, or permit any other Person to merge into or consolidate with it, or liquidate or dissolve, except that:

(i) any Restricted Subsidiary (other than the Borrower) may merge with (A) the Borrower; *provided* that the Borrower shall be the continuing or surviving Person, or (B) in the case of any Restricted Subsidiary, any one or more other Restricted Subsidiaries; *provided* that when any Subsidiary Loan Party is merging with another Restricted Subsidiary (x) the continuing or surviving Person shall be a Subsidiary Loan Party or shall concurrently become a Subsidiary Loan Party or (y) if the continuing or surviving Person is not a Subsidiary Loan Party or will not concurrently become a Subsidiary Loan Party, the acquisition of such Subsidiary Loan Party by such surviving Restricted Subsidiary is otherwise permitted under Section 6.04;

(ii) (A) any Restricted Subsidiary that is not a Loan Party may merge or consolidate with or into any other Restricted Subsidiary that is not a Loan Party and (B) any Restricted Subsidiary may liquidate or dissolve or change its legal form if Holdings determines in good faith that such action is in the best interests of Holdings, the Borrower and its Restricted Subsidiaries and is not materially disadvantageous to the Lenders;

(iii) any Restricted Subsidiary (other than an Intermediate Parent or the Borrower) may make a Disposition of all or substantially all of its assets (upon voluntary liquidation or otherwise) to one or more other Restricted Subsidiaries; *provided* that if the transferor in such a transaction is a Loan Party, then (A) the transferees must be Loan Parties or (B) if a transferee is not a Loan Party, then (1) to the extent such transfer constitutes an Investment, such Investment must be a permitted Investment in a Restricted Subsidiary that is not a Loan Party in accordance with Section 6.04 or (2) to the extent such transfer constitutes a Disposition to a Restricted Subsidiary that is not a Loan Party, such Disposition is for fair value and any promissory note or other non-cash consideration received in respect thereof is a permitted Investment in a Restricted Subsidiary that is not a Loan Party in accordance with Section 6.04;

(iv) the Borrower may merge or consolidate with any other Person; *provided* that (A) the Borrower shall be the continuing or surviving Person or (B) if the Person formed by or surviving any such merger or consolidation is not the Borrower (any such Person, the “**Successor Borrower**”), (w) the Successor Borrower shall be an entity organized or existing under the laws of the United States, any State thereof or the District of Columbia, (x) the Successor Borrower shall expressly assume all the obligations of the Borrower under this Agreement and the other Loan Documents to which the Borrower is a party pursuant to a supplement hereto or thereto in form and substance reasonably satisfactory to the Administrative Agent, (y) each Loan Party other than the Borrower, unless it is the other party to such merger or consolidation, shall have reaffirmed, pursuant to an agreement in form and substance reasonably satisfactory to the Administrative Agent, that its Guarantee of, and grant of any Liens as security for, the Secured Obligations shall apply to the Successor Borrower’s obligations under this Agreement and (z) the Borrower shall have delivered to the Administrative Agent a certificate of a Responsible Officer and an opinion of counsel, each stating that such merger or consolidation complies with this Agreement; *provided, further*, that (1) if such Person is not a Loan Party, no Default exists after giving effect to such merger or consolidation and (2) if the foregoing requirements are satisfied, the Successor Borrower will succeed to, and be substituted for, the Borrower under this Agreement and the other Loan Documents; *provided, further*, that the Borrower agrees to use commercially reasonable efforts to provide any documentation and other information about the Successor Borrower as shall have been reasonably requested in writing by any Lender through the Administrative Agent that such Lender shall have reasonably determined is required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including without limitation the USA Patriot Act;

(v) Holdings may merge or consolidate with any other Person, so long as no Event of Default exists after giving effect to such merger or consolidation; *provided* that (A) Holdings shall be the continuing or surviving Person or (B) if the Person formed by or surviving any such merger or consolidation is not Holdings or is a Person into which Holdings has been liquidated (any such Person, the “**Successor Holdings**”), (w) the Successor Holdings shall expressly assume all the obligations of Holdings under this Agreement and the other Loan Documents to which Holdings is a party pursuant to a supplement hereto or thereto in form and substance reasonably satisfactory to the Administrative Agent, (x) each Loan Party other than Holdings, unless it is the other party to such merger or consolidation, shall have reaffirmed, pursuant to an agreement in form and substance reasonably satisfactory to the Administrative Agent, that its Guarantee of and grant of any Liens as security for the Secured Obligations shall apply to the Successor Holdings’ obligations under this Agreement, (y) the Successor Holdings shall, immediately following such merger or consolidation, directly or indirectly own all Subsidiaries owned by Holdings immediately prior to such merger and (z) Holdings shall have delivered to the Administrative Agent a certificate of a Responsible Officer and an opinion of counsel, each stating that such merger or consolidation complies with this Agreement; *provided, further*, that if the foregoing requirements are satisfied, the Successor Holdings will succeed to, and be substituted for, Holdings under this Agreement and the other Loan Documents; *provided, further*, that the Borrower

agrees to use commercially reasonable efforts to provide any documentation and other information about the Successor Holdings as shall have been reasonably requested in writing by any Lender through the Administrative Agent that such Lender shall have reasonably determined is required by regulatory authorities under applicable “know your customer” and anti-money laundering rules and regulations, including without limitation the USA Patriot Act;

(vi) any Restricted Subsidiary (other than the Borrower) may merge, consolidate or amalgamate with any other Person in order to effect an Investment permitted pursuant to Section 6.04; *provided* that the continuing or surviving Person shall be a Restricted Subsidiary, which together with each of its Restricted Subsidiaries, shall have complied with the requirements of Sections 5.11 and 5.12 and if the other party to such transaction is not a Loan Party, no Default exists after giving effect to such transaction; and

(vii) any Restricted Subsidiary (other than the Borrower) may effect a merger, dissolution, liquidation, consolidation or amalgamation to effect a Disposition permitted pursuant to Section 6.05; *provided* that if the other party to such transaction is not a Loan Party, no Default exists after giving effect to the transaction.

(b) The Borrower will not, and Holdings and the Borrower will not permit any Restricted Subsidiary to, engage to any material extent in any business other than businesses of the type conducted by the Borrower and the Restricted Subsidiaries (and ITG and its subsidiaries) on the Closing Date or any Similar Business.

(c) Holdings and any Intermediate Parent will not conduct, transact or otherwise engage in any business or operations other than (i) the ownership and/or acquisition of the Equity Interests of the Borrower and any Intermediate Parent, (ii) the maintenance of its legal existence, including the ability to incur fees, costs and expenses relating to such maintenance, (iii) participating in tax, accounting and other administrative matters, (iv) the performance of its obligations under and in connection with the Loan Documents, any documentation governing any Indebtedness or Guarantee permitted to be incurred or made by it under this Article 6, the Holdings LLC Agreement, and the other agreements contemplated hereby, (v) any public offering of its common stock or any other issuance or registration of its Equity Interests for sale or resale not prohibited by this Agreement, including the costs, fees and expenses related thereto, (vi) any transaction that Holdings or any Intermediate Parent is permitted to enter into or consummate under this Article 6 (including, but not limited to, the making of any Restricted Payment permitted by Section 6.08 or holding of any cash or Permitted Investments received in connection with Restricted Payments made in

accordance with Section 6.08 pending application thereof in the manner contemplated by Section 6.04, the incurrence of any Indebtedness permitted to be incurred by it under Section 6.01 and the making of any Investment permitted to be made by it under Section 6.04), (vii) incurring fees, costs and expenses relating to overhead and general operating including professional fees for legal, tax and accounting issues and paying taxes, (viii) providing indemnification to officers and directors and as otherwise permitted by Section 6.09, (ix) activities incidental to the consummation of the Transactions and (x) activities incidental to the businesses or activities described in clauses (i) to (ix) of this paragraph.

(d) Holdings and any Intermediate Parent will not own or acquire any assets (other than Equity Interests as referred to in paragraph (c)(i) above, cash, Permitted Investments, loans and advances made by Holdings or any Intermediate Parent under Section 6.04(b), intercompany Investments permitted to be made by it under Section 6.04 and other assets incidental to its existence and business and activities permitted by this Agreement) or incur any liabilities (other than liabilities as referred to in paragraph (c) above, liabilities imposed by law, including tax liabilities, and other liabilities incidental to its existence and business and activities permitted by this Agreement).

(e) Notwithstanding anything to the contrary in this Section 6.03, the Transactions (including the Acquisition and the Asset Contributions) shall be permitted.

Section 6.04. Investments, Loans, Advances, Guarantees and Acquisitions. Neither Holdings nor the Borrower will, nor will they permit any Restricted Subsidiary or Intermediate Parent to, make or hold any Investment, except:

(a) Permitted Investments;

(b) loans or advances to officers, directors and employees of Holdings, the Borrower and its Restricted Subsidiaries (i) for reasonable and customary business-related travel, entertainment, relocation and analogous ordinary business purposes, (ii) in connection with such Person's purchase of Equity Interests of Holdings (or any direct or indirect parent thereof or any Employee Holding Vehicle) (*provided* that the amount of such loans and advances made in cash to such Person shall be contributed to the Borrower in cash as common equity or Qualified Equity Interests) and (iii) for purposes not described in the foregoing

clauses (i) and (ii), in an aggregate principal amount outstanding at any time not to exceed \$5,000,000;

(c) Investments (i) by Holdings, the Borrower or any Restricted Subsidiary in any Loan Party (excluding any new Restricted Subsidiary that becomes a Loan Party pursuant to such Investment), (ii) by any Restricted Subsidiary that is not a Loan Party in any other Restricted Subsidiary that is also not a Loan Party, (iii) by Holdings or any Restricted Subsidiary (A) in any Restricted Subsidiary, *provided* that at the time such Investment is made in a Restricted Subsidiary that is not a Loan Party, the aggregate outstanding amount of such Investments made by Loan Parties in Restricted Subsidiaries that are not Loan Parties in reliance on this clause (iii)(A), together with the aggregate outstanding amount of Investments made pursuant to Section 6.04(m) (including any such Investments deemed to have been made pursuant to Section 6.13), in each case, after the Closing Date, shall not exceed the Non-Loan Party Investment Amount at such time, (B) in any Regulated Subsidiary in the form of short-term intercompany advances and Indebtedness, in each case made in the ordinary course of business to provide for working capital and other operational requirements of such Regulated Subsidiary, (C) in any Restricted Subsidiary that is not a Loan Party, constituting an exchange of Equity Interests of such Restricted Subsidiary for Indebtedness of such Subsidiary, (D) constituting Guarantees of Indebtedness or other monetary obligations of Restricted Subsidiaries that are not Loan Parties owing to any Loan Party or (E) constituting unsecured Guarantees of Trading Debt to the extent such Guarantees are permitted under Section 6.01(a)(iii), (iv) by Holdings, any Intermediate Parent, the Borrower or any Restricted Subsidiary in Restricted Subsidiaries that are not Loan Parties so long as such Investment is part of a series of simultaneous transactions that result in the proceeds of the initial transaction being invested in one or more Loan Parties or, if the proceeds were initially held by a non-Loan Party, in a Restricted Subsidiary that is not a Loan Party and (v) by Holdings, the Borrower or any Restricted Subsidiary in any Restricted Subsidiary that is not a Loan Party, consisting of the contribution of Equity Interests of any other Restricted Subsidiary that is not a Loan Party so long as the Equity Interests of the transferee Restricted Subsidiary is pledged to secure the Secured Obligations;

(d) Investments consisting of extensions of trade credit in the ordinary course of business;

(e) Investments (i) existing or contemplated on the Closing Date and set forth on Schedule 6.04(e) and any modification, replacement, renewal, reinvestment or extension thereof and (ii) existing on the Closing Date by Holdings, the Borrower or any Restricted Subsidiary in the Borrower or any Restricted Subsidiary and any modification, renewal or extension thereof; *provided* that in each case the amount of the original Investment is not increased except by the terms of such Investment to the extent as set forth on Schedule 6.04(e) or as otherwise permitted by this Section 6.04;

(f) Investments in Swap Agreements permitted under Section 6.07;

(g) promissory notes and other non-cash consideration received in connection with Dispositions permitted by Section 6.05;

(h) Permitted Acquisitions; *provided* that the aggregate outstanding amount of Investments made by Loan Parties after the Closing Date by Holdings, any Intermediate Parent, the Borrower or any other Loan Party (including any Indebtedness incurred by any such Person to finance any portion of such consideration) in reliance on this Section 6.04(h) (together with any Investments made in Subsidiaries that are not Loan Parties pursuant to Section 6.04(c)(iii)(A), Investments deemed to be made pursuant to Section 6.13 and the amount of Investments and acquisitions made pursuant to Section 6.04(m), in each case, after the Closing Date) for Permitted Acquisitions (including the aggregate principal amount of all Indebtedness assumed in connection with Permitted Acquisitions) of any Restricted Subsidiary (other than a Regulated Subsidiary) that shall not be or, after giving effect to such Permitted Acquisition, shall not become, a Loan Party, shall not exceed the Non-Loan Party Investment Amount at such time;

(i) Investments in the ordinary course of business consisting of Uniform Commercial Code Article 3 endorsements for collection or deposit and Uniform Commercial Code Article 4 customary trade arrangements with customers consistent with past practices;

(j) Investments (including debt obligations and Equity Interests) received in connection with the bankruptcy or reorganization of suppliers and customers or in settlement of delinquent obligations of, or other disputes with, customers and suppliers or upon the foreclosure with

respect to any secured Investment or other transfer of title with respect to any secured Investment;

(k) loans and advances to Holdings (or any direct or indirect parent thereof) or any Intermediate Parent in lieu of, and not in excess of the amount of (after giving effect to any other loans, advances or Restricted Payments in respect thereof), Restricted Payments to the extent permitted to be made to Holdings (or such parent) in accordance with Section 6.08(a)(iv), (v), (vi), (vii) or (viii);

(l) additional Investments and acquisitions so long as (i) immediately after giving effect to any such Investment or acquisition no Event of Default shall have occurred and be continuing and (ii) after giving to such Investment or acquisition, the Total Leverage Ratio calculated on a Pro Forma Basis as of the end of the most recent Test Period for which financial statements are available is less than or equal to 1.75 to 1.00;

(m) additional Investments in Restricted Subsidiaries that are not Loan Parties and in Unrestricted Subsidiaries so long as (i) immediately after giving effect to any such Investment or acquisition, no Event of Default shall have occurred and be continuing and (ii) at the time any such Investment is made, the aggregate outstanding amount of Investments made after the Closing Date in reliance on this clause (m) (including any such Investments deemed to have been made pursuant to Section 6.13), together with the aggregate outstanding amount of Investments made after the Closing Date in Subsidiaries that are not Loan Parties pursuant to Section 6.04(c)(iii)(A), shall not exceed the Non-Loan Party Investment Amount at such time;

(n) other Investments in an amount not exceed (i) the greater of \$225,000,000 and 30% of Consolidated EBITDA for the most recently ended Test Period for which financial statements are available, plus (ii) the Cumulative Credit at the time of any such Investment;

(o) advances of payroll payments to employees in the ordinary course of business;

(p) Investments and other acquisitions to the extent that payment for such Investments is made solely with Qualified Equity Interests (excluding Cure Amounts) of Holdings (or any direct or indirect parent thereof);

(q) Investments of a Subsidiary acquired after the Closing Date or of a Person merged or consolidated with any Subsidiary in accordance with this Section and Section 6.03 after the Closing Date (other than existing Investments in subsidiaries of such Subsidiary or Person, which must comply with the requirements of Section 6.04(h) or 6.04(m)) to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger or consolidation and were in existence on the date of such acquisition, merger or consolidation;

(r) Investments made or acquired in the ordinary course trading activities of the Borrower and its Restricted Subsidiaries;

(s) non-cash Investments in connection with tax planning and reorganization activities; *provided* that after giving effect to any such activities, the security interests of the Lenders in the Collateral, taken as a whole, would not be materially impaired;

(t) to the extent constituting Investments, any purchase, acquisition, license or lease of Intellectual Property in each case in the ordinary course of business;

(u) Investments in any Foreign Subsidiary made for the purposes of providing such Foreign Subsidiary the necessary capital to comply with any capital or margin requirements of a Regulatory ~~Supervisory~~Supervising Organization; *provided* that the aggregate outstanding amount of Investments made pursuant to this clause shall not exceed \$25,000,000 at any time;

(v) Investments as a result of the Transactions, including, without limitation, Investments of a Subsidiary acquired in the Acquisition to the extent that such Investments are in existence on the Closing Date;

(w) Investments in Joint Ventures in an amount not exceed the greater of \$190,000,000 and 25% of Consolidated EBITDA for the most recently ended Test Period for which financial statements are available; and

(x) Investments in market structure companies, including securities exchanges, venues and clearing firms, in the ordinary course of business; *provided* that the aggregate amount of Investments at any one time outstanding under this clause (u) in any such market structure company shall not exceed \$25,000,000.

Section 6.05. Asset Sales. Neither Holdings nor the Borrower will, nor will they permit any Restricted Subsidiary to, sell, transfer, lease or otherwise dispose of any asset, including any Equity Interest owned by it, nor will Holdings or the Borrower permit any Restricted Subsidiary to issue any additional Equity Interest in such Restricted Subsidiary (other than issuing directors' qualifying shares, nominal shares issued to foreign nationals to the extent required by applicable Requirements of Law and other than issuing Equity Interests to Holdings, the Borrower or a Restricted Subsidiary in compliance with Section 6.04(c)) (each, a "**Disposition**"), except:

(a) **Dispositions of obsolete or worn out property, whether now owned or hereafter acquired, in the ordinary course of business and Dispositions of property (including abandonment of Intellectual Property) no longer used or useful in the conduct of the business of Holdings, any Intermediate Parent, the Borrower and its Restricted Subsidiaries;**

(b) **Dispositions of inventory and other assets in the ordinary course of business;**

(c) **Dispositions of property to the extent that (i) such property is exchanged for credit against the purchase price of similar replacement property or (ii) the proceeds of such Disposition are promptly applied to the purchase price of such replacement property;**

(d) **Dispositions of property to the Borrower or a Restricted Subsidiary; *provided* that if the transferor in such a transaction is a Loan Party, then (i) the transferee must be a Loan Party or (ii) if the transferee is not a Loan Party, then (A) to the extent constituting an Investment, such Investment must be a permitted Investment in a Restricted Subsidiary that is not a Loan Party in accordance with Section 6.04 or (B) to the extent constituting a Disposition, such Disposition is for fair value and any promissory note or other non-cash consideration received in respect thereof is a permitted investment in a Restricted Subsidiary that is not a Loan Party in accordance with Section 6.04;**

(e) **Dispositions permitted by Section 6.03 (other than Section 6.03(a)(vii)), Investments permitted by Section 6.04, Restricted Payments permitted by Section 6.08 and Liens permitted by Section 6.02;**

(f) **Dispositions of property acquired by Holdings, the Borrower or any of its Restricted Subsidiaries after the Closing Date pursuant to sale-leaseback transactions permitted by Section 6.06;**

(g) **Dispositions of Permitted Investments;**

- (h) Dispositions of accounts receivable in connection with the collection or compromise thereof;
- (i) leases, subleases, licenses or sublicenses (including the provision of software under an open source license), in each case in the ordinary course of business and that do not materially interfere with the business of Holdings, the Borrower and its Restricted Subsidiaries, taken as a whole;
- (j) transfers of property subject to Casualty Events upon receipt of the Net Proceeds of such Casualty Event;
- (k) Dispositions of property to Persons other than Restricted Subsidiaries (including the sale or issuance of Equity Interests of a Restricted Subsidiary) not otherwise permitted under this Section 6.05; *provided* that (i) no Event of Default shall exist at the time of, or would result from, such Disposition (other than any such Disposition made pursuant to a legally binding commitment entered into at a time when no Event of Default existed or would have resulted from such Disposition) and (ii) with respect to any Disposition pursuant to this clause (k) for a purchase price in excess of \$5,000,000, Holdings, the Borrower or a Restricted Subsidiary shall receive not less than 75% of such consideration in the form of cash or Permitted Investments; *provided, however*, that for the purposes of this clause (ii), (A) any liabilities (as shown on the most recent balance sheet of Holdings provided hereunder or in the footnotes thereto) of Holdings, the Borrower or such Restricted Subsidiary, other than liabilities that are by their terms subordinated in right of payment to the Loan Document Obligations, that are assumed by the transferee with respect to the applicable Disposition and for which Holdings, any Intermediate Parent, the Borrower and all of the Restricted Subsidiaries shall have been validly released by all applicable creditors in writing, shall be deemed to be cash, (B) any securities received by Holdings, any Intermediate Parent, the Borrower or such Restricted Subsidiary from such transferee that are converted by Holdings, any Intermediate Parent, the Borrower or such Restricted Subsidiary into cash or Permitted Investments (to the extent of the cash or Permitted Investments received) within 180 days following the closing of the applicable Disposition, shall be deemed to be cash and (C) any Designated Non-Cash Consideration received by Holdings, any Intermediate Parent, the Borrower or such Restricted Subsidiary in respect of such Disposition having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this clause (k)

that is at that time outstanding, not in excess of the greater of \$50,000,000 and 6.10% of Consolidated EBITDA for the most recently ended Test Period for which financial statements are available at the time of the receipt of such Designated Non-Cash Consideration, with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value, shall be deemed to be cash;

(l) Dispositions of Investments in Joint Ventures to the extent required by, or made pursuant to customary buy/sell arrangements between, the joint venture parties set forth in joint venture arrangements and similar binding arrangements;

(m) Dispositions of assets listed on Schedule 6.05;

(n) Dispositions of non-core assets acquired in (i) a Permitted Acquisition; *provided* that (A) such assets were identified to the Administrative Agent in writing as non-core assets within thirty days of the time that the applicable Permitted Acquisition was consummated and (B) such Disposition is consummated within one year after the date on which the applicable Permitted Acquisition was consummated, or (ii) the Acquisition; and

(o) Dispositions of securities, Swap Agreements and other financial instruments as part of the ordinary course trading business of the Borrower and its Restricted Subsidiaries;

provided that any Disposition of any property pursuant to this Section 6.05 (except pursuant to Section 6.05(e) and except for Dispositions by a Loan Party to another Loan Party), shall be for no less than the fair market value of such property at the time of such Disposition.

Section 6.06. Sale and Leaseback Transactions. Neither Holdings nor the Borrower will, nor will they permit any Restricted Subsidiary or Intermediate Parent to, enter into any arrangement, directly or indirectly, whereby it shall sell or transfer any property, real or personal, used or useful in its business, whether now owned or hereafter acquired, and thereafter rent or lease such property or other property that it intends to use for substantially the same purpose or purposes as the property sold or transferred, except for any such sale of any fixed or capital assets by the Borrower or any Restricted Subsidiary that is made for cash consideration in an amount not less than the fair value of such fixed or capital asset and is consummated within 270 days after the Borrower or such Restricted Subsidiary, as applicable, acquires or completes the construction of such fixed or capital asset; *provided* that, if such sale and leaseback results in a Capital Lease Obligation, such Capital Lease Obligation is permitted by Section 6.01 and any Lien made the subject of such Capital Lease Obligation is permitted by Section 6.02.

Section 6.07. Swap Agreements. Neither Holdings nor the Borrower will, nor will they permit any Restricted Subsidiary or Intermediate Parent to, enter into any Swap Agreement, except (a) (i) Swap Agreements entered into to hedge or mitigate risks to which Holdings, the Borrower or any Restricted Subsidiary has actual exposure (other than those in respect of shares of capital stock or other Equity Interests of Holdings, the Borrower or any Restricted Subsidiary) and (ii) Swap Agreements entered into in order to effectively cap, collar or exchange interest rates (from fixed to floating rates, from one floating rate to another floating rate or otherwise) with respect to any interest-bearing liability or investment of Holdings, the Borrower or any Restricted Subsidiary; *provided* that any Swap Agreement entered into pursuant to this clause (a) shall be entered into in the ordinary course of business and not for speculative purposes and (b) Swap Agreements entered into in the ordinary course trading business of the Borrower or any Restricted Subsidiary.

Section 6.08. Restricted Payments; Certain Payments of Indebtedness.

(a) Neither Holdings nor the Borrower will, nor will they permit any Restricted Subsidiary to declare or make, or agree to pay or make, directly or indirectly, any Restricted Payment, except:

(i) each Restricted Subsidiary may make Restricted Payments to the Borrower or any other Restricted Subsidiary;

(ii) Holdings, the Borrower and each Restricted Subsidiary may declare and make dividend payments or other distributions payable solely in the Equity Interests of such Person; *provided* that in the case of any such Restricted Payment by a Restricted Subsidiary that is not a Wholly Owned Subsidiary of the Borrower, such Restricted Payment is made to the Borrower, any Restricted Subsidiary and to each other owner of Equity Interests of such Restricted Subsidiary based on their relative ownership interests of the relevant class of Equity Interests;

(iii) so long as no Event of Default has occurred and is continuing or would be caused thereby, the payment of quarterly distributions or dividends in an amount not to exceed the Specified Dividend Amount during any fiscal quarter that commences after the Closing Date; *provided* that for the avoidance of doubt, unused amounts with respect to any such fiscal quarter shall not be available in any other fiscal quarter;

(iv) repurchases of Equity Interests in Holdings (or Restricted Payments by Holdings to allow repurchases of Equity Interests in any direct or indirect parent of Holdings), the Borrower or any Restricted Subsidiary deemed to occur upon the exercise of stock options or warrants if such Equity Interests represent a portion of the exercise price of such options or warrants;

(v) Holdings may redeem, acquire, retire or repurchase its Equity Interests (or any options or warrants or stock appreciation rights issued with respect to any of such Equity Interests) (or make Restricted Payments to allow any of

Holdings' direct or indirect parent companies or any Employee Holding Vehicle to so redeem, retire, acquire or repurchase Equity Interests of Holdings or such entity) held by current or former officers, managers, consultants, directors and employees or their permitted transferees (or their respective estates, executors, trustees, administrators, heirs, legatees or distributees) of Holdings (or any direct or indirect parent thereof), the Borrower and the Restricted Subsidiaries, or held by any Employee Holding Vehicle for the benefit of any of the foregoing, upon the death, disability, retirement or termination of employment of any such Person or otherwise in accordance with any stock option or stock appreciation rights plan, any management, director and/or employee stock ownership or incentive plan, stock subscription plan, employment termination agreement or any other employment agreements or equity holders' agreement, in an aggregate amount after the Closing Date together with the aggregate amount of loans and advances to Holdings made pursuant to Section 6.04(k) in lieu of Restricted Payments permitted by this clause (v) not to exceed \$15,000,000 in any calendar year with unused amounts in any calendar year being carried over to succeeding calendar years subject to a maximum of \$30,000,000 in any calendar year (without giving effect to the following proviso); *provided* that such amount in any calendar year may be increased by an amount not to exceed the cash proceeds of key man life insurance policies received by the Borrower or its Restricted Subsidiaries after the Closing Date and not previously applied pursuant to this clause (v);

(vi) so long as the Borrower and Holdings are each treated as a pass-through or disregarded entity (a "**Flow-Through Entity**") for U.S. federal and state income tax purposes, Borrower may make distributions to Holdings and Holdings may make distributions to its members for Permitted Tax Distributions at such times and with respect to such periods as Tax Distributions (as defined in the Holdings LLC Agreement) are required to be made or designated pursuant to the Holdings LLC Agreement; *provided* that if Holdings is not a Flow-Through Entity, so long as the Borrower is a Flow-Through Entity, the Borrower may make Permitted Tax Distributions to Holdings on a quarterly basis and at the end of a Taxable Year (with the determination of the Permitted Tax Distributions to be made by substituting the Borrower for Holdings in the applicable definitions); *provided, further*, that Restricted Payments under this clause (vi) in respect of any taxes attributable to the income of any Unrestricted Subsidiaries of the Borrower may be made only to the extent that such Unrestricted Subsidiaries have made cash payments for such purpose to the Borrower or its Restricted Subsidiaries;

(vii) any Intermediate Parent, the Borrower and the Restricted Subsidiaries may make Restricted Payments in cash to Holdings and any Intermediate Parent and, where applicable, Holdings and such Intermediate Parent may make Restricted Payments in cash:

(A) the proceeds of which shall be used by Holdings or any Intermediate Parent to pay (or to make Restricted Payments to allow any direct or indirect parent of Holdings to pay) (1) its operating expenses incurred in the ordinary course of business and other corporate overhead costs and expenses (including administrative, legal, accounting and similar expenses payable to third parties) that are reasonable and customary and

incurred in the ordinary course of business, in an aggregate amount together with the aggregate amount of loans and advances to Holdings made pursuant to Section 6.04(k) in lieu of Restricted Payments permitted by this clause (a)(vii)(A) not to exceed \$10,000,000 in any fiscal year, plus any reasonable and customary indemnification claims made by directors or officers of Holdings (or any parent thereof) attributable to the ownership or operations of Holdings and the Restricted Subsidiaries or otherwise payable by Holdings pursuant to the Holdings LLC Agreement and (2) fees and expenses (x) due and payable by any of the Restricted Subsidiaries and (y) otherwise permitted to be paid (but not paid) by such Restricted Subsidiary under this Agreement;

(B) the proceeds of which shall be used by Holdings or any Intermediate Parent to pay franchise taxes and other fees and expenses required to maintain its organizational existence;

(C) the proceeds of which shall be used by Holdings to make Restricted Payments permitted by Section 6.08(a)(iv) or Section 6.08(a)(v);

(D) to finance any Investment permitted to be made pursuant to Section 6.04; *provided* that (A) such Restricted Payment shall be made substantially concurrently with the closing of such Investment and (B) Holdings or any Intermediate Parent shall, immediately following the closing thereof, cause (1) all property acquired (whether assets or Equity Interests but not including any loans or advances made pursuant to Section 6.04(b)) to be contributed to the Borrower or the Restricted Subsidiaries or (2) the Person formed or acquired to merge into or consolidate with the Borrower or any of the Restricted Subsidiaries (to the extent such merger or consolidation is permitted under Section 6.03) in order to consummate such Investment, in each case in accordance with the requirements of Sections 5.11 and 5.12;

(E) the proceeds of which shall be used to pay (or to make Restricted Payments to allow any direct or indirect parent thereof to pay) fees and expenses related to any equity or debt offering permitted by this Agreement; and

(F) the proceeds of which shall be used to make payments permitted by clause (b)(iv) of this Section 6.08;

(viii) in addition to the foregoing Restricted Payments and so long as no Event of Default shall have occurred and be continuing or would result therefrom, the Borrower may make additional Restricted Payments in an aggregate amount not to exceed the Cumulative Credit;

(ix) redemptions in whole or in part of any of its Equity Interests for another class of its Equity Interests or with proceeds from substantially concurrent equity contributions or issuances of new Equity Interests; *provided* that such new Equity Interests contain terms and provisions at least as advantageous to the Lenders

in all respects material to their interests as those contained in the Equity Interests redeemed thereby;

(x) so long as no Event of Default has occurred and is continuing or would be caused thereby, Holdings, the Borrower and each Restricted Subsidiary may make additional Restricted Payments; *provided* that after giving effect to any such Restricted Payment, the aggregate amount of Restricted Payments made in reliance on this clause (x) shall not exceed the greater of \$190,000,000 and 25% of Consolidated EBITDA calculated on a Pro Forma Basis for the Test Period most recently ended for which financial statements are available prior to the making of such Restricted Payment;

(xi) so long as no Event of Default has occurred and is continuing or would be caused thereby, Holdings, the Borrower and each Restricted Subsidiary may make unlimited Restricted Payments; *provided* that after giving effect to any such Restricted Payment, the Total Leverage Ratio calculated on a Pro Forma Basis as of the end of the most recent Test Period for which financial statements are available does not exceed 1.50 to 1.00; and

(xii) Restricted Payments contemplated by the Merger Agreement.

(b) Neither Holdings nor the Borrower will, nor will they permit any Restricted Subsidiary to, make or agree to pay or make, directly or indirectly, any payment or other distribution (whether in cash, securities or other property) of or in respect of principal of or interest on any Junior Financing, or any payment or other distribution (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any Junior Financing, or any other payment (including the application of any payment received under any Swap Agreement in respect of any Junior Financing) that has a substantially similar effect to any of the foregoing, except:

(i) payment of regularly scheduled interest and principal payments (including, for the avoidance of doubt, regularly scheduled payments pursuant to any Swap Agreement) as and when due in respect of any Indebtedness, other than payments in respect of any Junior Financing prohibited by the subordination provisions thereof;

(ii) refinancings of Indebtedness to the extent permitted by Section 6.01;

(iii) the conversion of any Junior Financing to, or the exchange of any Junior Financing for, Equity Interests (other than Disqualified Equity Interests) of Holdings or any of its direct or indirect parent companies or any Intermediate Parent; *provided* that in the case of any such exchange, such Junior Financing is promptly cancelled;

(iv) so long as no Event of Default has occurred and is continuing or would be caused thereby, prepayments, redemptions, purchases, defeasances and other payments in respect of Junior Financings prior to their scheduled maturity (including, for the avoidance of doubt, prepayments, redemptions, purchases, defeasances and other payments resulting from the termination of any Swap Agreement) (“**Junior Financing Prepayments**”) in an amount not to exceed the Cumulative Credit at the time when such Junior Financing Prepayment is made;

(v) so long as no Event of Default has occurred and is continuing or would be caused thereby, additional Junior Financing Prepayments; *provided* that after giving effect to any such Junior Financing Prepayment, the aggregate amount of Junior Financing Prepayments made in reliance on this clause (v) shall not exceed the greater of \$190,000,000 and 25% of Consolidated EBITDA calculated on a Pro Forma Basis for the Test Period most recently ended for which financial statements are available prior to the making of such Junior Financing Prepayment; and

(vi) so long as no Event of Default has occurred and is continuing or would be caused thereby, Holdings, the Borrower and the Restricted Subsidiaries may make unlimited Junior Financing Prepayments; *provided* that after giving effect to any such Junior Financing Prepayment, the Total Leverage Ratio calculated on a Pro Forma Basis as of the end of the most recent Test Period for which financial statements are available does not exceed 1.50 to 1.00.

Section 6.09. Transactions with Affiliates. Neither Holdings nor the Borrower will, nor will they permit any Restricted Subsidiary to, sell, lease or otherwise transfer any property or assets to, or purchase, lease or otherwise acquire any property or assets from, or otherwise engage in any other transactions with, any of its Affiliates, except (a) transactions with Holdings, the Borrower or any Restricted Subsidiary, (b) on terms substantially as favorable to Holdings, the Borrower or such Restricted Subsidiary as would be obtainable by such Person at the time in a comparable arm’s-length transaction with a Person other than an Affiliate, (c) Holdings, the Borrower or any Restricted Subsidiary shall be permitted to enter any underwriting agreements, stock purchase agreements or other similar agreements in connection with offerings of securities and provide customary representations, warranties, covenants and indemnities in respect of Virtu Financial, Inc., its subsidiaries and such offering in connection therewith, (d) issuances of Equity Interests of Holdings to the extent otherwise permitted by this Agreement, (e) employment and severance arrangements between Holdings, the Borrower and the Restricted Subsidiaries and their respective officers and employees in the ordinary course of business (including loans and advances pursuant to Sections 6.04(b) and 6.04(o)), (f) payments by Holdings (and any direct or indirect parent thereof), the Borrower and the Restricted Subsidiaries pursuant to tax sharing agreements among Holdings (and any such parent thereof), the Borrower and the Restricted Subsidiaries on customary terms to the extent attributable to the ownership or operation of the Borrower and the Restricted Subsidiaries, to the extent payments are Permitted Tax Distributions, (g) the payment of customary fees and reasonable out-of-pocket costs to, and indemnities provided on behalf of, directors, officers and employees of Holdings, the Borrower and the Restricted Subsidiaries in the ordinary course of business to the extent attributable to the ownership or operation of Holdings, the Borrower and the Restricted Subsidiaries, (h) transactions pursuant to any permitted agreements in existence or contemplated on the Closing Date and set forth on Schedule 6.09 or any

amendment thereto to the extent such an amendment is not adverse to the Lenders in any material respect, (i) Restricted Payments permitted under Section 6.08 and (j) Investments, loans or advances that are permitted to be made in lieu of Restricted Payments pursuant to Section 6.04.

Section 6.10. Restrictive Agreements. Neither Holdings nor the Borrower will, nor will they permit any Restricted Subsidiary to, directly or indirectly, enter into, incur or permit to exist any agreement or other arrangement that prohibits, restricts or imposes any condition upon (a) the ability of Holdings, the Borrower or any other Subsidiary Loan Party to create, incur or permit to exist any Lien upon any of its property or assets to secure the Secured Obligations or (b) the ability of any Restricted Subsidiary that is not a Loan Party to pay dividends or other distributions with respect to any of its Equity Interests or to make or repay loans or advances to any Restricted Subsidiary or to Guarantee Indebtedness of any Restricted Subsidiary; *provided* that the foregoing clauses (a) and (b) shall not apply to any such restrictions that (i)(x) exist on the Closing Date and (to the extent not otherwise permitted by this Section 6.10) are listed on Schedule 6.10 or in the indenture governing the Second Lien Notes and (y) any renewal or extension of a restriction permitted by clause (i)(x) or any agreement evidencing such restriction so long as such renewal or extension does not expand the scope of such restrictions, (ii)(x) are binding on a Restricted Subsidiary at the time such Restricted Subsidiary first becomes a Restricted Subsidiary, so long as such restrictions were not entered into solely in contemplation of such Person becoming a Restricted Subsidiary and (y) any renewal or extension of a restriction permitted by clause (ii)(x) or any agreement evidencing such restriction so long as such renewal or extension does not expand the scope of such restrictions, (iii) represent Indebtedness of a Restricted Subsidiary that is not a Loan Party that is permitted by Section 6.01, (iv) are customary restrictions that arise in connection with any Disposition permitted by Section 6.05 applicable pending such Disposition solely to the assets subject to such Disposition, (v) are customary provisions in joint venture agreements and other similar agreements applicable to joint ventures permitted under Section 6.04, (vi) are negative pledges and restrictions on Liens in favor of any holder of Indebtedness permitted under Section 6.01 but solely to the extent any negative pledge relates to the property financed by or securing such Indebtedness (and excluding in any event any Indebtedness constituting any Junior Financing or the Second Lien Notes), (vii) are imposed by Requirements of Law, (viii) are customary restrictions contained in leases, subleases, licenses or asset sale agreements otherwise permitted hereby so long as such restrictions relate only to the assets subject thereto, (ix) comprise restrictions imposed by any agreement relating to secured Indebtedness permitted pursuant to Section 6.01(a)(v) to the extent that such restrictions apply only to the property or assets securing such Indebtedness, (x) are customary provisions restricting subletting or assignment of any lease governing a leasehold interest of Holdings, any Intermediate Parent, the Borrower or any Restricted Subsidiary, (xi) are customary provisions restricting assignment of any license, lease or other agreement, (xii) are restrictions on cash (or Permitted Investments) or deposits imposed by customers under contracts entered into in the ordinary course of business (or otherwise constituting Permitted Encumbrances on such cash or Permitted Investments or deposits) or (xiii) are customary net worth provisions contained in real property leases or licenses of intellectual property entered into by the Borrower or any Restricted Subsidiary, so long as the Borrower has determined in good faith that such net worth provisions could not reasonably be expected to impair the ability of the Borrower and its Restricted Subsidiaries to meet their ongoing obligations under the Loan Documents.

Section 6.11. Amendment of Junior Financing. Neither Holdings nor the Borrower will, nor will they permit any Restricted Subsidiary or any Intermediate Parent to, amend, modify, waive, terminate or release the documentation governing any Junior Financing or Second Lien Notes, in each case if the effect of such amendment, modification, waiver, termination or release is materially adverse to the Lenders.

Section 6.12. Net First Lien Leverage Ratio. The Borrower will not permit the Net First Lien Leverage Ratio as of the last day of any Financial Performance Covenant Test Period to exceed 3.25 to 1.00.

Section 6.13. Equity Interests.

(a) Holdings and the Borrower will not permit any Restricted Subsidiary to be a non-Wholly Owned Subsidiary and be released from its Guarantee (if applicable), except (x) as a result of a Disposition of Equity Interests of such Subsidiary to a Person other than Holdings, the Borrower or any other Restricted Subsidiary that is permitted by the other terms of this Agreement or an Investment in any Person permitted under Section 6.04; provided that (i) no Default has occurred or is continuing on the date of such release or would result immediately after giving effect to such release, and the Administrative Agent has been furnished with a certificate of a Financial Officer confirming satisfaction of such condition, (ii) after such release is effected, such Restricted Subsidiary shall thereafter be treated as a Restricted Subsidiary that is not a Loan Party for purposes of this Agreement, (iii) the fair market value of such Restricted Subsidiary immediately after the release of such Guarantee, as reasonably determined by a Financial Officer, is deemed to be an Investment by a Loan Party on the date of such release in a Subsidiary that is not a Loan Party for purposes of either Section 6.04(c) or Section 6.04(m), as designated by Holdings to the Administrative Agent prior to such release, (iv) such Investment is permitted under Section 6.04(c) or Section 6.04(m), (v) after giving effect to such transaction on a Pro Forma Basis, not more than 10% of Consolidated EBITDA for the most recently ended Test Period shall be attributable to such Restricted Subsidiary together with all other Restricted Subsidiaries (or any successors thereto) that were released from being Loan Parties pursuant to the provisions of Sections 6.13(a) and 6.13(b) and (vi) the Borrower shall have provided the Administrative Agent such certifications or documents as the Administrative Agent shall reasonably request in order to demonstrate compliance with this Agreement or (y) so long as such Restricted Subsidiary continues to be a Subsidiary Loan Party, in which case the release provisions of Section 9.14 will not apply.

(b) Holdings may notify the Administrative Agent that it wishes to obtain the release of the Guarantee of, and grants of Liens by, any Subsidiary Loan Party under the Security Documents (any Subsidiary in respect of which such a release is given, a “Released Subsidiary”), and the Administrative Agent will, and is hereby authorized to, promptly release such Guarantee and grants of Liens of such Subsidiary Loan Party pursuant to a written notification thereof given to Holdings; *provided that* (i) no Default has occurred or is continuing on the date of such request or would result immediately after giving effect to such release, and the Administrative Agent has been furnished with a certificate of a Financial Officer confirming satisfaction of such condition, (ii) after such release is effected, such Restricted Subsidiary shall thereafter be treated as a Restricted Subsidiary that is not a Loan Party for purposes of this Agreement, (iii) the fair market value of such Released Subsidiary immediately after the release of such Guarantee, as reasonably determined by a Financial Officer, is deemed to be an Investment by a Loan Party on the date of such release in a Subsidiary that is not a Loan Party for purposes of Section 6.04(c) or Section 6.04(m), as designated by Holdings to the Administrative Agent prior to such release, (iv) such Investment is permitted under Section 6.04(c) or Section 6.04(m), (v) after giving effect to such transaction on a Pro Forma Basis, not more than 10% of Consolidated EBITDA for the most recently ended Test Period shall be attributable to such Restricted Subsidiary together with all other Restricted Subsidiaries (or any successors thereto) that were released from being Loan Parties pursuant to the provisions of Sections 6.13(a) and 6.13(b) and (vi) the Borrower shall have provided the Administrative Agent such certifications or documents as the Administrative Agent shall reasonably request in order to demonstrate compliance with this Agreement.

Section 6.14. Changes in Fiscal Periods. Neither Holdings nor the Borrower will make any change in fiscal year; *provided, however,* that Holdings and the Borrower may, upon written notice to the Administrative Agent, change its fiscal year to any other fiscal year reasonably acceptable to the Administrative Agent, in which case, Holdings, the Borrower and the Administrative Agent will, and are hereby authorized by the Lenders to, make any adjustments to this Agreement that are necessary to reflect such change in fiscal year.

ARTICLE 7
EVENTS OF DEFAULT

Section 7.01. Events of Default. If any of the following events (any such event, an “Event of Default”) shall occur:

(a) any Loan Party shall fail to pay any principal of any Loan or any reimbursement obligation in respect of any LC Disbursement when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or otherwise;

(b) any Loan Party shall fail to pay any interest on any Loan or any fee or any other amount (other than an amount referred to in paragraph (a) of this Section) payable under any Loan Document, when and as the same shall become due and payable, and such failure shall continue unremedied for a period of five Business Days;

(c) any representation or warranty made or deemed made by or on behalf of Holdings, the Borrower or any of its Restricted Subsidiaries in or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Loan Document or any amendment or modification thereof or waiver thereunder, shall prove to have been incorrect in any material respect when made or deemed made;

(d) Holdings, the Borrower or any of its Restricted Subsidiaries shall fail to observe or perform any covenant, condition or agreement contained in Sections 5.02, 5.04 (with respect to the existence of Holdings, the Borrower or such Restricted Subsidiaries), 5.10 or in Article 6 (other than Section 6.09); *provided* that any Event of Default under the Financial Performance Covenant is subject to the cure period provided in Section 7.02; *provided, further*, that failure to comply with the Financial Performance Covenant will not constitute an Event of Default with respect to any Term Loans unless and until the Required Revolving Lenders have terminated the Revolving Commitments and demanded payment of, or otherwise accelerated, the Revolving Loans and any other obligations with respect to the Revolving Commitments and Revolving Loans and have not rescinded such demand or acceleration (the “Financial Covenant Standstill”);

(e) Holdings, the Borrower or any of its Restricted Subsidiaries shall fail to observe or perform any covenant, condition or agreement contained in any Loan Document (other than those specified in paragraph (a), (b) or (d) of this Section), and such failure shall continue unremedied for a period of 30 days after notice thereof from the Administrative Agent to the Borrower;

(f) Holdings, the Borrower or any of its Restricted Subsidiaries shall fail to make any payment (whether of principal or interest and regardless of amount) in respect of any Material Indebtedness, when and as the same shall become due and payable (after giving effect to any applicable grace period);

(g) any event or condition occurs that results in any Material Indebtedness becoming due prior to its scheduled maturity or that enables or permits (with all applicable grace periods having expired) the holder or holders of any Material Indebtedness or any trustee or agent on its or their behalf to cause any Material Indebtedness to become due, or to require the prepayment, repurchase, redemption or defeasance thereof, prior to its scheduled maturity, *provided* that this paragraph (g) shall not apply to (i) secured Indebtedness that becomes due as a result of the sale, transfer or other disposition (including as a result of a casualty or condemnation event) of the property or assets securing such Indebtedness (to the extent such sale, transfer or other disposition is not prohibited under this Agreement), (ii) Trading Debt (it being understood that paragraph (f) of this Section will apply to any failure to make any payment in respect of any Trading Debt) or (iii) termination events or similar events occurring under any Swap Agreement that constitutes Material Indebtedness (it being understood that paragraph (f) of this Section will apply to any failure to make any payment required as a result of any such termination or similar event);

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed seeking (i) liquidation, court protection, reorganization or other relief in respect of Holdings, the Borrower or any Material Subsidiary or its debts, or of a material part of its assets, under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect or (ii) the appointment of a receiver, trustee, custodian, examiner, sequestrator, conservator or similar official for Holdings, the Borrower or any Material Subsidiary or for a material part of its assets, and, in any such case, such proceeding or petition shall continue undismissed or unstayed for 60 days or an order or decree approving or ordering any of the foregoing shall be entered;

(i) Holdings, the Borrower or any other Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking liquidation, court protection, reorganization or other relief under any Federal, state or foreign bankruptcy, insolvency, receivership or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to

contest in a timely and appropriate manner, any proceeding or petition described in paragraph (h) of this Section, (iii) apply for or consent to the appointment of a receiver, trustee, examiner, custodian, sequestrator, conservator or similar official for Holdings, the Borrower or any Material Subsidiary or for a material part of its assets, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding or (v) make a general assignment for the benefit of creditors;

(j) one or more enforceable judgments for the payment of money in an aggregate amount in excess of \$15,000,000 (to the extent not covered by insurance as to which the insurer has been notified of such judgment or order and has not denied coverage) shall be rendered against Holdings, the Borrower and any of its Restricted Subsidiaries or any combination thereof and the same shall remain undischarged for a period of 60 consecutive days during which execution shall not be effectively stayed, or any judgment creditor shall legally attach or levy upon assets of any such Loan Party that are material to the businesses and operations of Holdings, the Borrower and its Restricted Subsidiaries, taken as a whole, to enforce any such judgment;

(k) (i) an ERISA Event occurs that has resulted or could reasonably be expected to result in liability of any Loan Party in an aggregate amount that could reasonably be expected to result in a Material Adverse Effect, or (ii) any Loan Party or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan that has resulted or could reasonably be expected to result in liability of any Loan Party in an aggregate amount that could reasonably be expected to result in a Material Adverse Effect;

(l) any Lien purported to be created under any Security Document shall cease to be, or shall be asserted by any Loan Party not to be, a valid and perfected Lien on any material portion of the Collateral, with the priority required by the applicable Security Document, except (i) as a result of the sale or other disposition of the applicable Collateral in a transaction permitted under the Loan Documents, (ii) as a result of the Administrative Agent's failure to (A) maintain possession of any stock certificates, promissory notes or other instruments delivered to it under the Security Documents or (B) file Uniform Commercial Code continuation statements, (iii) as to Collateral consisting of real property to the extent that such losses are covered by a lender's title insurance

policy and such insurer has not denied coverage or (iv) as the direct exclusive result of acts or omissions of the Administrative Agent or any Lender within its sole control;

(m) any material provision of any Loan Document or any Guarantee of the Loan Document Obligations shall for any reason be asserted by any Loan Party not to be a legal, valid and binding obligation of any Loan Party party thereto or subject thereto other than as expressly permitted hereunder or thereunder;

(n) any Guarantee of the Loan Document Obligations by any Loan Party pursuant to the Guarantee Agreement shall cease to be in full force and effect (in each case, other than in accordance with the terms of the Loan Documents);

(o) a Change in Control shall occur;

(p) one or more Regulated Subsidiaries shall become subject to regulatory restrictions on its business as a result of falling below capital early warning levels and such restrictions are material and adverse to the business of Holdings, the Borrower and the Restricted Subsidiaries, taken as a whole; or

(q) any disqualification of the Borrower or Holdings from owning any Regulated Subsidiary which disqualification remains in effect and unwaived for a period of 30 days from receipt of notification thereof by the Borrower or Holdings; *provided, however*, that if the Borrower or Holdings becomes the subject of a waiver application within such 30 day period, then such disqualification shall not constitute an Event Of Default for so long as such waiver application has not been denied;

then, and in every such event (other than (x) an event with respect to Holdings or the Borrower described in paragraph (h) or (i) of this Section 7.01 or (y) any Event of Default arising out of a failure to observe or perform the Financial Performance Covenant), and at any time thereafter during the continuance of such event, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, take any of the following actions, at the same or different times: (i) terminate the Revolving Commitments, and thereupon such Commitments shall terminate immediately, (ii) declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Loan Document Obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower and (iii) require that the Borrower deposit in the LC [Cash](#) Collateral Account an additional amount in cash

as reasonably requested by the Issuing Banks (not to exceed 105% of the relevant face amount) of the then outstanding LC Exposure (*minus* the amount then on deposit in the LC **Cash** Collateral Account); and (A) in the case of any event with respect to Holdings or the Borrower described in paragraph (h) or (i) of this Article, the Commitments shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other Loan Document Obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower, and the obligation of the Borrower to cash collateralize the outstanding Letters of Credit as aforesaid shall automatically become effective, in each case without further action of the Administrative Agent or any Lender and (B) during the continuance of any Event of Default arising out of a failure to observe or perform the Financial Performance Covenant, (X) upon the request of the Required Revolving Lenders (but not the Required Lenders or any other Lender or group of Lenders), the Administrative Agent shall, by notice to the Borrower, (1) terminate the Revolving Commitments, and thereupon such Revolving Commitments shall terminate immediately, (2) declare the Revolving Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Revolving Loans so declared to be due and payable, together with accrued interest thereon and all fees and other Loan Document Obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower and (3) require that the Borrower deposit in the LC **Cash** Collateral Account an additional amount in cash as reasonably requested by the Issuing Banks (not to exceed 105% of the relevant face amount) of the then outstanding LC Exposure (*minus* the amount then on deposit in the LC **Cash** Collateral Account) and (Y) subject to the Financial Covenant Standstill, the Administrative Agent may, and at the request of the Required Lenders shall, by notice to the Borrower, declare the Loans then outstanding to be due and payable in whole (or in part, in which case any principal not so declared to be due and payable may thereafter be declared to be due and payable), and thereupon the principal of the Loans so declared to be due and payable, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall become due and payable immediately, without presentment, demand, protest or other notice of any kind, all of which are hereby waived by the Borrower. Upon the occurrence and during the continuance of an Event of Default, the Administrative Agent may, and at the request of the Required Lenders shall, exercise any rights and remedies provided to the Administrative Agent under the Loan Documents or at law or equity, including all remedies provided under the UCC.

Section 7.02. Right to Cure.

(a) Notwithstanding anything to the contrary contained in Section 7.01, in the event that the Borrower and the Restricted Subsidiaries fail to comply with the requirements of the Financial Performance Covenant as of the last day of any Financial Performance Covenant Test Period, then at any time after the beginning of such fiscal quarter until the expiration of the 10th day subsequent to the earlier of (i) the date on which a Compliance Certificate with respect to such fiscal

quarter (or the fiscal year ended on the last day of such fiscal quarter) is delivered in accordance with Section 5.01(d) and (ii) the date on which the financial statements with respect to such fiscal quarter (or the fiscal year ended on the last day of such fiscal quarter) are required to be delivered pursuant to Section 5.01(a) or (b) (the “Cure Deadline”), as applicable, Holdings shall have the right to issue Qualified Equity Interests for cash or otherwise receive cash contributions to the capital of Holdings as cash common equity or other Qualified Equity Interests (which Holdings shall contribute through its Subsidiaries of which the Borrower is a Subsidiary to the Borrower as cash common equity) (collectively, the “Cure Right”), and upon the receipt by the Borrower of the Net Proceeds of such issuance (which Net Proceeds may not be included in the calculation of the Cumulative Credit) (the “Cure Amount”) pursuant to the exercise by Holdings of such Cure Right such Financial Performance Covenant shall be recalculated giving effect to the following pro forma adjustment:

(i) Consolidated EBITDA shall be increased with respect to such applicable fiscal quarter and any four fiscal quarter period that contains such fiscal quarter, solely for the purpose of measuring the Financial Performance Covenant and not for any other purpose under this Agreement, by an amount equal to the Cure Amount; and

(ii) if, after giving effect to the foregoing pro forma adjustment (without giving effect to any repayment of any Indebtedness with any portion of the Cure Amount or any portion of the Cure Amount on the balance sheet of the Borrower and its Restricted Subsidiaries, in each case, with respect to such fiscal quarter only), the Borrower and its Restricted Subsidiaries shall then be in compliance with the requirements of the Financial Performance Covenant, the Borrower and its Restricted Subsidiaries shall be deemed to have satisfied the requirements of the Financial Performance Covenant as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or default of the Financial Performance Covenant that had occurred shall be deemed cured for the purposes of this Agreement;

provided that the Borrower shall have notified the Administrative Agent of the exercise of such Cure Right (a “Cure Notice”) within five (5) Business Days of the issuance of the relevant Qualified Equity Interests for cash or the receipt of the cash contributions by Holdings.

(iii) Notwithstanding anything to the contrary, (i) neither the Administrative Agent nor any Lender shall exercise any right to accelerate the Loans or terminate the Revolving Commitments, and none of the Administrative Agent, nor any Lender or Secured Party shall exercise any right to foreclose on or take possession of the Collateral or any other right or remedy under the Loan Documents solely on the basis of the relevant Event of Default under Section 7.01(d); and (ii)

no Revolving Lender, Swingline Lender or Issuing Bank shall be required to make any Loans or issue any Letter of Credit from and after such time as the Administrative Agent has received the Cure Notice unless and until the Cure Amount is actually received on or prior to the Cure Deadline;

(b) Notwithstanding anything herein to the contrary, (i) in each four consecutive fiscal quarter period of the Borrower there shall be at least two fiscal quarters in which the Cure Right is not exercised, (ii) during the life of this Agreement, the Cure Right shall not be exercised more than four times and (iii) for purposes of this Section 7.02, the Cure Amount shall be no greater than the amount required for purposes of complying with the Financial Performance Covenant with respect to the applicable fiscal quarter and any amounts in excess thereof shall not be deemed to be a Cure Amount. Notwithstanding any other provision in this Agreement to the contrary, the Cure Amount received pursuant to any exercise of the Cure Right shall be disregarded for purposes of determining any financial ratio based conditions or any available basket under Article 6 of this Agreement.

ARTICLE 8

ADMINISTRATIVE AGENT AND COLLATERAL AGENT

Section 8.01. General.

Each Lender hereby irrevocably appoints the Administrative Agent its agent and authorizes the Administrative Agent to take such actions on its behalf and to exercise such powers as are delegated to it by the terms of the Loan Documents, together with such actions and powers as are reasonably incidental thereto. The Administrative Agent shall also act as the “collateral agent” under the Loan Documents (and for purposes of this Article 8, the Administrative Agent acting in its capacity as such and acting in its capacity as collateral agent shall be referred to collectively as the “**Agent**” or the “**Agents**”), and each of the Lenders hereby irrevocably appoints and authorizes the Administrative Agent to act as the agent of such Lender for purposes of acquiring, holding and enforcing any and all Liens on Collateral granted by any of the Loan Parties to secure any of the Secured Obligations, together with such powers and discretion as are reasonably incidental thereto. In this connection, the Administrative Agent, as “collateral agent” and any co-agents, sub-agents and attorneys-in-fact appointed by the Administrative Agent hereunder for purposes of holding or enforcing any Lien on the Collateral (or any portion thereof) granted under the Security Documents, or for exercising any rights and remedies thereunder at the direction of the Administrative Agent, shall be entitled to the benefits of all provisions of this Article 8 and Article 9 (including Section 9.03 as though such co-agents, sub-agents and attorneys-in-fact were the “collateral agent” under the Loan Documents) as if set forth in full herein with respect thereto.

Without limiting the generality of the foregoing, the Agents are hereby expressly authorized to (i) execute any and all documents (including releases) with respect to the

Collateral and the rights of the Secured Parties with respect thereto, as contemplated by and in accordance with the provisions of this Agreement and the Security Documents and (ii) negotiate, enforce or settle any claim, action or proceeding affecting the Lenders in their capacity as such, at the direction of the Required Lenders, which negotiation, enforcement or settlement will be binding upon each Lender. In the event that any obligations (other than the Secured Obligations) are permitted to be incurred hereunder and secured by Liens permitted to be incurred hereunder on all or a portion of the Collateral, each Lender authorizes each Agent to enter into intercreditor agreements, subordination agreements and amendments to the Security Documents to reflect such arrangements on terms acceptable to such Agent.

The institution serving as the Administrative Agent and/or the Collateral 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 an Agent, and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated or unless the context otherwise requires, include the Person serving as the Agent hereunder in its individual capacity. Such bank and its Affiliates may accept deposits from, lend money to and generally engage in any kind of business with Holdings, the Borrower or any Subsidiary or other Affiliate thereof as if it were not an Agent hereunder.

Neither Agent shall have any duties or obligations except those expressly set forth in the Loan Documents. Without limiting the generality of the foregoing, (a) neither Agent shall be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing, (b) neither Agent shall have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby that such Agent is instructed in writing to exercise by the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02); *provided* that neither Agent shall be required to take any action that, in its opinion or the opinion of its counsel, may expose such Agent to liability or that is contrary to any Loan Document or applicable law, and (c) except as expressly set forth in the Loan Documents, neither Agent shall have any duty to disclose, nor shall it be liable for the failure to disclose, any information relating to Holdings, the Borrower or any of the Subsidiaries that is communicated to or obtained by the bank serving as Administrative Agent and/or Collateral Agent or any of its Affiliates in any capacity. Neither Agent shall be liable for any action taken or not taken by it with the consent or at the request of the Required Lenders (or such other number or percentage of the Lenders as shall be necessary under the circumstances as provided in Section 9.02) or in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction in a final and non-appealable judgment. Neither Agent shall be deemed to have knowledge of any Default unless and until written notice thereof is given to such Agent by Holdings, the Borrower or a Lender and neither Agent shall be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Loan Document, (ii) the contents of any certificate, report or other document delivered thereunder or in connection therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth in any Loan Document, (iv) the validity, enforceability, effectiveness or genuineness of any Loan Document or any other agreement, instrument or document, (v) the creation, perfection or priority of any Lien purported to be created by the Security Documents, (vi) the value or the sufficiency of any Collateral, (vii) the financial condition or business affairs of any Loan

Party or any other Person liable for the payment of any Secured Obligations or as to the use of the proceeds of the Loans, (viii) the properties, books or records of any Loan Party, (ix) the existence or possible existence of any Event of Default or Default or (x) the satisfaction of any condition set forth in Article 4 or elsewhere in any Loan Document, other than to confirm receipt of items expressly required to be delivered to such Agent.

Each 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. Each Agent may also 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, or the issuance of a Letter of Credit, that by its terms must be fulfilled to the satisfaction of a Lender or the Issuing Bank, the Administrative Agent may presume that such condition is satisfactory to such Lender or the Issuing Bank unless the Administrative Agent shall have received notice to the contrary from such Lender or the Issuing Bank prior to the making of such Loan or the issuance of such Letter of Credit. Each Agent may consult with legal counsel (who may be counsel for the Borrower), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

Each Agent may perform any and all its duties and exercise its rights and powers by or through any one or more sub-agents appointed by it. Each Agent and any such sub-agent may perform any and all its duties and exercise its rights and powers by or through their respective Related Parties. The exculpatory provisions of the preceding paragraphs shall apply to any such sub-agent and to the Related Parties of each Agent and any such sub-agent, and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities as Agent.

Subject to the appointment and acceptance of a successor Agent as provided below, either Agent may resign at any time upon 30 days' notice to the Lenders and the Borrower. If the Administrative Agent becomes the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has consented to, approved of or acquiesced in any such proceeding or appointment or has a parent company that has become the subject of a bankruptcy or insolvency proceeding, or has had a receiver, conservator, trustee or custodian appointed for it, or has consented to, approved of or acquiesced in any such proceeding or appointment and the Administrative Agent is not performing its role hereunder as Administrative Agent, then the Administrative Agent may be removed as the Administrative Agent hereunder at the request of the Borrower and the Required Lenders. Upon receipt of any such notice of resignation or upon such removal, the Required Lenders shall have the right, with the Borrower's consent (such consent not to be unreasonably withheld or delayed) (*provided* that no consent of the Borrower shall be required if an Event of Default under Section 7.01(a), (b), (h) or (i) has occurred and is continuing), to appoint a successor. If no successor shall have been so appointed by the Required Lenders and shall have accepted such appointment within 30 days after the retiring Agent gives notice of its resignation, then the retiring Agent may, on behalf of the Lenders and each Issuing Bank, appoint a successor Agent which shall be a bank with an office in

New York, New York, or an Affiliate of any such bank. If no successor Agent has been appointed pursuant to the immediately preceding sentence by the 30th day after the date such notice of resignation was given by such Agent, such Agent's resignation shall become effective and the Required Lenders shall thereafter perform all the duties of such Agent hereunder and/or under any other Loan Document until such time, if any, as the Required Lenders appoint a successor Administrative Agent and/or Collateral Agent, as the case may be. Upon the acceptance of its appointment as Agent hereunder by a successor, such successor shall succeed to and become vested with all the rights, powers, privileges and duties of the retiring Agent, and the retiring Agent shall be discharged from its duties and obligations hereunder. The fees payable by the Borrower to a successor Agent shall be the same as those payable to its predecessor unless otherwise agreed between the Borrower and such successor. After an Agent's resignation hereunder, the provisions of this Article and Section 9.03 shall continue in effect for the benefit of such retiring 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 acting as Agent.

Each Lender and the Issuing Bank acknowledges and represents and warrants that it has, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Agents or any other Lender and based on such documents and information as it shall from time to time deem appropriate, continue to make its own decisions in taking or not taking action under or based upon this Agreement or any other Loan Document, any related agreement or any document furnished hereunder or thereunder. Neither Agent shall have any duty or responsibility, either initially or on a continuing basis, to make any investigation or any appraisal on behalf of Lenders or any Issuing Bank or to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before the making of the Loans or at any time or times thereafter, and neither Agent shall have any responsibility with respect to the accuracy or completeness of any information provided to Lenders.

In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to any Loan Party, the Administrative Agent (irrespective of whether the principal of any Loan or outstanding Letter of Credit 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, 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, outstanding Letters of Credit and all other Secured 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 Agents (including any claim for the reasonable compensation, expenses, disbursements and advances of the Lenders and the Agents and their respective agents and counsel and all other amounts due the Lenders and the Agents under Sections 2.12 and 9.03) 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, if the Administrative Agent shall consent to the making of such payments directly to the Lenders to pay to each Agent any amount due for the reasonable compensation, expenses, disbursements and advances of such Agent and its agents and counsel, and any other amounts due such Agent under Sections 2.12 and 9.03.

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 Secured 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.

To the extent required by any applicable law, the Administrative Agent may deduct or withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. If the Internal Revenue Service or any other authority of the United States or other jurisdiction asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender for any reason (including, without limitation, because the appropriate form was not delivered or not properly executed, or because such Lender failed to notify the Administrative Agent of a change in circumstance that rendered the exemption from, or reduction of withholding Tax ineffective, or for any other reason), such Lender shall indemnify and hold harmless the Administrative Agent (to the extent that the Administrative Agent has not already been reimbursed by the Borrower pursuant to Section 2.15 and without limiting any obligation of the Borrower to do so pursuant to such Section) fully for all amounts paid, directly or indirectly, by the Administrative Agent as Taxes or otherwise, together with all expenses incurred, including legal expenses and any other out-of-pocket expenses, whether or not such Tax was 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 this Agreement or any other Loan Document against any amount due to the Administrative Agent under this Article 8. The agreements in this Article 8 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of this Agreement and the repayment, satisfaction or discharge of all other obligations.

Notwithstanding any other provision of this Agreement or any provision of any other Loan Document, each Lead Arranger is named as such for recognition purposes only, and in its capacity as such shall have no duties, responsibilities or liabilities with respect to this Agreement or any other Loan Document; it being understood and agreed that the Lead Arrangers shall be entitled to all indemnification and reimbursement rights in favor of the Agents provided herein and in the other Loan Documents. Without limitation of the foregoing, the Lead Arrangers in their respective capacities as such shall not, by reason of this Agreement or any other Loan Document, have any fiduciary relationship in respect of any Lender, any Loan Party or any other Person.

The term “Lender” in this Section 8.01 shall include any Issuing Bank and the Swingline Lender.

Section 8.02. 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 and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, that at least one of the following is and will be true:

(i) such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, 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 Letters of Credit, 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 Letters of Credit, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, 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 Letters of Credit, 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 either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has

provided another representation, warranty and covenant in accordance with 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 and not, for the avoidance of doubt, to or for the benefit of the Borrower or any other Loan Party, 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 Letters of Credit, 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).

ARTICLE 9
MISCELLANEOUS

Section 9.01. Notices.

(a) Except in the case of notices and other communications expressly permitted to be given by telephone, all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by fax or other electronic transmission, as follows:

(i) if to Holdings, the Borrower, the Administrative Agent, the Issuing Bank or the Swingline Lender, to the address, fax number, e-mail address or telephone number specified for such Person on Schedule 9.01; and

(ii) if to any Lender, to it at its address (or fax number, telephone number or e-mail address) set forth in its Administrative Questionnaire (including, as appropriate, notices delivered solely to the Person designated by a Lender on its Administrative Questionnaire then in effect for the delivery of notices that may contain material non-public information relating to the Borrower).

Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by telecopier shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient). Notices and other communications delivered through electronic communications to the extent provided in subsection (b) below shall be effective as provided in such subsection (b).

(b) *Electronic Communications.* Notices and other communications to the Lenders, the Issuing Banks and the Swingline Lender hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures reasonably approved by the Administrative Agent, *provided* that the foregoing shall not apply to notices to any Lender, the Issuing Banks or the Swingline Lender pursuant to Article 2 if such Lender, the Issuing Banks or the Swingline Lender, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Article by electronic communication.

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), *provided* that if such notice 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, 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.

(c) *The Platform.* THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE." THE AGENT PARTIES (AS DEFINED BELOW) DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. 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 BORROWER MATERIALS OR THE PLATFORM. In no event shall the Administrative Agent or any of its Related Parties (collectively, the "Agent Parties") have any liability to Holdings, the Borrower, any Lender, the Issuing Bank or any other Person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of the Borrower's or the Administrative Agent's transmission of Borrower Materials through the Internet, except to the extent that such losses, claims, damages, liabilities or expenses are

determined by a court of competent jurisdiction by a final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Agent Party; *provided, however*, that in no event shall any Agent Party have any liability to Holdings, the Borrower, any Lender, the Issuing Bank or any other Person for indirect, special, incidental, consequential or punitive damages (as opposed to direct or actual damages).

(d) *Public Lenders.* Each Public Lender agrees to cause at least one individual at or on behalf of such Public Lender to at all times have selected the “Private Side Information” or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender’s compliance procedures and applicable law, including United States Federal and state securities laws, to make reference to communications that are not made available through the “Public Side Information” portion of the Platform and that may contain material non-public information with respect to the Borrower or its securities for purposes of United States Federal or state securities laws.

(e) *Change of Address, Etc.* Each of Holdings, the Borrower, the Administrative Agent, the Issuing Banks and the Swingline Lender may change its address, electronic mail address, fax or telephone number for notices and other communications or website hereunder by notice to the other parties hereto. Each Lender may change its address, fax or telephone number for notices and other communications hereunder by notice to the Borrower, the Administrative Agent, the Issuing Banks and the Swingline Lender. In addition, each Lender agrees to notify the Administrative Agent from time to time to ensure that the Administrative Agent has on record (i) an effective address, contact name, telephone number, fax number and electronic mail address to which notices and other communications may be sent and (ii) accurate wire instructions for such Lender.

(f) *Reliance by Administrative Agent, Issuing Bank and Lenders.* The Administrative Agent, the Issuing Bank and the Lenders shall be entitled to rely and act upon any notices purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein, or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Administrative Agent, the Issuing Bank,

each Lender and the Related Parties from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower in the absence of gross negligence or willful misconduct as determined in a final and non-appealable judgment by a court of competent jurisdiction. All telephonic notices to and other telephonic communications with the Administrative Agent may be recorded by the Administrative Agent and each of the parties hereto hereby consents to such recording.

Section 9.02. Waivers; Amendments.

(a) No failure or delay by the Administrative Agent, any Issuing Bank or any Lender in exercising any right or power under this Agreement or any Loan Document shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent, the Issuing Banks and the Lenders hereunder and under the other Loan Documents are cumulative and are not exclusive of any rights or remedies that they would otherwise have. No waiver of any provision of this Agreement or any Loan Document or consent to any departure by any Loan Party therefrom shall in any event be effective unless the same shall be permitted by paragraph (b) of this Section, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Without limiting the generality of the foregoing, the making of a Loan or the issuance, amendment, renewal or extension of a Letter of Credit shall not be construed as a waiver of any Default, regardless of whether the Administrative Agent, any Lender or any Issuing Bank may have had notice or knowledge of such Default at the time. No notice or demand on the Borrower or Holdings in any case shall entitle the Borrower or Holdings to any other or further notice or demand in similar or other circumstances.

(b) Except as provided in Section 2.18 with respect to any Incremental Revolving Facility Amendment or Incremental Term Facility Amendment (including to provide for provisions relating to the issuance of letters of credit and swingline loans and provisions with respect to “defaulting lenders”), Section 2.19 with respect to any Refinancing Amendment, Section 6.14 with respect to a change in the fiscal year of Holdings and the Borrower or Section 2.12(b) with respect to an alternate rate of interest, neither this Agreement nor any Loan

Document nor any provision hereof or thereof may be waived, amended or modified except, in the case of this Agreement, pursuant to an agreement or agreements in writing entered into by Holdings, the Borrower and the Required Lenders or, in the case of any other Loan Document, pursuant to an agreement or agreements in writing entered into by the Administrative Agent and the Loan Party or Loan Parties that are parties thereto, in each case with the consent of the Required Lenders; *provided* that no such agreement shall (i) increase the Commitment of any Lender without the written consent of such Lender (it being understood that a waiver of any condition precedent set forth in paragraphs (a) and (b) of Section 4.02 or the waiver of any Default, mandatory prepayment or mandatory reduction of the Commitments shall not constitute an extension or increase of any Commitment of any Lender), (ii) reduce the principal amount of any Loan or LC Disbursement or reduce the reimbursement obligations of the Borrower in respect of the LC Exposure or reduce the rate of interest thereon, or reduce any fees payable hereunder, without the written consent of each Lender directly and adversely affected thereby (it being understood that any change to the definition of First Lien Leverage Ratio, Net First Lien Leverage Ratio, Secured Leverage Ratio, Total Leverage Ratio or in the component definitions thereof shall not constitute a reduction of interest or fees); *provided* that only the consent of the Required Lenders shall be necessary to waive any obligation of the Borrower to pay default interest pursuant to Section 2.11(c), (iii) postpone the maturity of any Loan, or the date of any scheduled amortization payment of the principal amount of any Term Loan under Section 2.08 or the applicable Refinancing Amendment, or the reimbursement date with respect to any LC Disbursement, or any date for the payment of any interest or fees payable hereunder, or reduce the amount of, waive or excuse any such payment, or postpone the scheduled date of expiration of any Commitment, without the written consent of each Lender directly and adversely affected thereby, (iv) change Section 2.16(b) or (c) in a manner that would alter the pro rata sharing of payments required thereby, without the written consent of each Lender (other than a Defaulting Lender), (v) change any of the provisions of this Section without the written consent of each Lender directly and adversely affected thereby, (vi) change the percentage set forth in the definition of “Required Lenders”, “Majority in Interest” or any other provision of any Loan Document specifying the number or percentage of Lenders (or Lenders of any Class) required to waive, amend or modify any rights thereunder or make any determination or grant any consent thereunder, without the written consent of each Lender (or each Lender

of such Class, as the case may be), (vii) release all or substantially all the value of the Guarantees under the Guarantee Agreement (except as expressly provided in the Guarantee Agreement) without the written consent of each Lender (other than a Defaulting Lender) (except as expressly provided in the Security Documents), (viii) release all or substantially all the Collateral from the Liens of the Security Documents, without the written consent of each Lender (other than a Defaulting Lender), (ix) change any provisions of any Loan Document in a manner that by its terms adversely affects the rights in respect of payments due to Lenders holding Loans of any Class differently than those holding Loans of any other Class, without the written consent of Lenders (other than a Defaulting Lender) holding a Majority in Interest of the outstanding Loans and unused Commitments of each affected Class, or (x) change the rights of the Term Lenders to decline mandatory prepayments as provided in Section 2.09 or the rights of any Additional Lenders of any Class to decline mandatory prepayments of Term Loans of such Class as provided in the applicable Refinancing Amendment, without the written consent of a Majority in Interest of the Term Lenders or Additional Lenders of such Class, as applicable; *provided, further*, that (A) no such agreement shall amend, modify or otherwise affect the rights or duties of the Administrative Agent, the Swingline Lender or any Issuing Bank without the prior written consent of the Administrative Agent, the Swingline Lender or such Issuing Bank, as the case may be, and (B) any provision of this Agreement or any other Loan Document may be amended by an agreement in writing entered into by Holdings, the Borrower and the Administrative Agent to cure any ambiguity, omission, defect or inconsistency so long as, in each case, the Lenders shall have received at least five Business Days' prior written notice thereof and the Administrative Agent shall not have received, within five Business Days of the date of such notice to the Lenders, a written notice from the Required Lenders stating that the Required Lenders object to such amendment. Notwithstanding the foregoing, (a) this Agreement may be amended (or amended and restated) with the written consent of the Required Lenders, the Administrative Agent, Holdings and the Borrower (i) to add one or more additional credit facilities to this Agreement and to permit the extensions of credit from time to time outstanding thereunder and the accrued interest and fees in respect thereof to share ratably in the benefits of this Agreement and the other Loan Documents and (ii) to include appropriately the Lenders holding such credit facilities in any determination of the Required Lenders on substantially the same basis as the Lenders prior to such inclusion and (b) guarantees, collateral

security documents and related documents executed by Foreign Subsidiaries in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be, together with this Agreement, amended and waived with the consent of the Administrative Agent at the request of the Borrower without the need to obtain the consent of any other Lender if such amendment or waiver is delivered in order (i) to comply with local law or advice of local counsel, (ii) to cure ambiguities or defects or (iii) to cause such guarantee, collateral security document or other document to be consistent with this Agreement and the other Loan Documents. Notwithstanding anything to the contrary, only the consent of the Required Revolving Lenders shall be necessary to (1) waive or consent to a waiver of an Event of Default with respect to the Financial Performance Covenant or waive or amend the conditions set forth in Section 4.02 (and Section 4.02 may not be waived or amended in a manner that affects the making of any Revolving Borrowing without the consent of the Required Revolving Lenders) or (2) modify or amend the Financial Performance Covenant (and the Financial Performance Covenant may not be modified or amended without the consent of the Required Revolving Lenders) or Section 7.02 (including, in each case, the related definitions, solely to the extent such definitions are used in such Sections (but not otherwise)) or this sentence.

(c) In connection with any proposed amendment, modification, waiver or termination (a “Proposed Change”) requiring the consent of all Lenders or all directly and adversely affected Lenders, if the consent of the Required Lenders (and, to the extent any Proposed Change requires the consent of Lenders holding Loans of any Class pursuant to clause (iv), (ix) or (x) of paragraph (b) of this Section, the consent of a Majority in Interest of the outstanding Loans and unused Commitments of such Class) to such Proposed Change is obtained, but the consent to such Proposed Change of other Lenders whose consent is required is not obtained (any such Lender whose consent is not obtained as described in paragraph (b) of this Section being referred to as a “Non-Consenting Lender”), then, so long as the Lender that is acting as Administrative Agent is not a Non-Consenting Lender, the Borrower may, at its sole expense and effort, upon notice to such Non-Consenting Lender and the Administrative Agent, require such Non-Consenting Lender to assign and delegate, without recourse (in accordance with and subject to the restrictions contained in Section 9.04), all its interests, rights and obligations under this Agreement to an Eligible Assignee that shall assume such obligations (which Eligible Assignee may be another Lender, if a Lender accepts such assignment), *provided* that (a) the Borrower shall

have received the prior written consent of the Administrative Agent to the extent such consent would be required under Section 9.04(b) for an assignment of Loans or Commitments, as applicable (and, if a Revolving Commitment is being assigned, each Issuing Bank and the Swingline Lender), which consent shall not unreasonably be withheld, (b) such Non-Consenting Lender shall have received payment of an amount equal to the outstanding par principal amount of its Loans and participations in LC Disbursements and Swingline Lenders, accrued interest thereon, accrued fees and all other amounts payable to it hereunder (including pursuant to Section 2.09(a)(i)) from the Eligible Assignee (to the extent of such outstanding principal and accrued interest and fees) or the Borrower (in the case of all other amounts) and (c) unless waived, the Borrower or such Eligible Assignee shall have paid to the Administrative Agent the processing and recordation fee specified in Section 9.04(b). Each party hereto agrees that an assignment required pursuant to this Section 9.02(c) may be effected pursuant to an Assignment and Assumption executed by the Borrower, the Administrative Agent and the assignee and that the Non-Consenting Lender required to make such assignment need not be a party thereto.

(d) Notwithstanding anything in this Agreement or the other Loan Documents to the contrary, the Revolving Commitments and Revolving Exposure of any Lender that is at the time a Defaulting Lender shall not have any voting or approval rights under the Loan Documents and shall be excluded in determining whether all Lenders (or all Lenders of a Class), all affected Lenders (or all affected Lenders of a Class), a Majority in Interest of Lenders of any Class, the Required Lenders or the Required Revolving Lenders have taken or may take any action hereunder (including any consent to any amendment or waiver pursuant to this Section 9.02); *provided* that (x) the Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender.

Section 9.03. Expenses; Indemnity; Damage Waiver.

(a) The Borrower shall pay (i) all reasonable and documented or invoiced out-of-pocket costs and expenses incurred by the Administrative Agent, the Lead Arrangers, each Issuing Bank, the Swingline Lender, the Lenders and their respective Affiliates (without duplication), including

the reasonable fees, charges and disbursements of Cahill Gordon & Reindel LLP and to the extent reasonably determined by the Administrative Agent to be necessary, one local counsel in each applicable jurisdiction (exclusive of any reasonably necessary special counsel) for the Administrative Agent and, in the case of an actual or reasonably perceived conflict of interest, one additional counsel per affected party, and any other counsel retained with the Borrower's consent (such consent not to be unreasonably withheld or delayed), in connection with the syndication of the credit facilities provided for herein, and the preparation, execution, delivery and administration of the Loan Documents or any amendments, modifications or waivers of the provisions thereof (whether or not successful) (ii) all reasonable and documented or invoiced out-of-pocket costs and expenses incurred by each Issuing Bank in connection with the issuance, amendment, renewal or extension of any Letter of Credit or any demand for payment thereunder and (iii) all reasonable and documented or invoiced out-of-pocket expenses incurred by the Administrative Agent, each Issuing Bank or any Lender, including the fees, charges and disbursements of counsel for the Administrative Agent, the Issuing Banks and the Lenders, in connection with the enforcement or protection of any rights or remedies (A) in connection with the Loan Documents (including all such costs and expenses incurred during any legal proceeding, including any proceeding under any Debtor Relief Laws), including its rights under this Section or (B) in connection with the Loans made or Letters of Credit issued hereunder, including all such out-of-pocket costs and expenses incurred during any workout, restructuring or negotiations in respect of such Loans or Letters of Credit; *provided* that such counsel shall be limited to one lead counsel and such local counsel (exclusive of any reasonably necessary special counsel) as may reasonably be deemed necessary by the Administrative Agent in each relevant jurisdiction and, in the case of an actual or reasonably perceived conflict of interest, one additional counsel per affected party, and any other counsel retained with the Borrower's consent (such consent not to be unreasonably withheld or delayed).

(b) The Borrower shall indemnify the Administrative Agent, each Issuing Bank, each Lender, the Lead Arrangers, and each Related Party of any of the foregoing Persons (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and reasonable and documented or invoiced out-of-pocket fees and expenses of any counsel for any Indemnitee (*provided* that such counsel shall be limited to one lead counsel and such local counsel (exclusive of any reasonably necessary special

counsel) as may reasonably be deemed necessary by the Indemnitees in each relevant jurisdiction and, in the case of an actual or perceived conflict of interest, one additional counsel per affected party), incurred by or asserted against any Indemnitee by any third party or by the Borrower, Holdings or any Subsidiary arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement, any Loan Document or any other agreement or instrument contemplated hereby or thereby, the performance by the parties to the Loan Documents of their respective obligations thereunder or the consummation of the Transactions or any other transactions contemplated thereby, (ii) any Loan or Letter of Credit or the use of the proceeds therefrom (including any refusal by the Issuing Bank to honor a demand for payment under a Letter of Credit if the documents presented in connection with such demand do not strictly comply with the terms of such Letter of Credit), (iii) any actual or alleged presence or Release of Hazardous Materials on, at, to or from any Mortgaged Property or any other property currently or formerly owned or operated by Holdings, the Borrower or any Subsidiary, or any other Environmental Liability related in any way to Holdings, the Borrower or any Subsidiary, or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower, Holdings or any Subsidiary and regardless of whether any Indemnitee is a party thereto; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities, costs or related expenses (x) resulted from the gross negligence, bad faith or willful misconduct of such Indemnitee or its Related Parties (as determined by a court of competent jurisdiction in a final and non-appealable judgment), (y) resulted from a material breach of the Loan Documents by such Indemnitee or its Related Parties (as determined by a court of competent jurisdiction in a final and non-appealable judgment) or (z) arise from disputes between or among Indemnitees that do not involve an act or omission by Holdings, the Borrower or any Restricted Subsidiary, except that the Administrative Agent and the Lead Arrangers, the Issuing Banks and the Swingline Lender shall be indemnified in their capacities as such with respect to any dispute under this clause (z).

(c) To the extent that the Borrower fails to pay any amount required to be paid by it to the Administrative Agent, any Issuing Bank or any Lead Arranger under paragraph (a) or (b) of this Section, each Lender severally agrees to pay to the Administrative Agent, such Issuing Bank or the Lead Arrangers, 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) of such unpaid amount, *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, such Issuing Bank or such Lead Arranger in its capacity as such. For purposes hereof, a Lender's "pro rata share" shall be determined based upon its share of the aggregate Revolving Exposures, Term Loans and unused Commitments at such time. The obligations of the Lenders under this paragraph (c) are subject to the last sentence of Section 2.02(a) (which shall apply *mutatis mutandis* to the Lenders' obligations under this paragraph (c)).

(d) To the extent permitted by applicable law, neither Holdings nor the Borrower shall assert, and each hereby waives, any claim against any Indemnitee (i) for any direct or actual damages arising from the use by unintended recipients of information or other materials distributed to such unintended recipients by such Indemnitee through telecommunications, electronic or other information transmission systems (including the Internet) in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby; *provided* that such indemnity shall not, as to any Indemnitee, be available to the extent that such direct or actual damages are determined by a court of competent jurisdiction by final, non-appealable judgment to have resulted from the gross negligence or willful misconduct of, or a material breach of the Loan Documents by, such Indemnitee or its Related Parties or (ii) 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, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the Transactions, any Loan or Letter of Credit or the use of the proceeds thereof.

(e) All amounts due under this Section shall be payable not later than ten (10) Business Days after written demand therefor; *provided, however*, that any Indemnitee shall promptly refund an indemnification payment received hereunder to the extent that there is a final judicial determination that such Indemnitee was not entitled to indemnification with respect to such payment pursuant to this Section 9.03.

Section 9.04. Successors and Assigns.

(a) The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), except that, (i) the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of each Lender (and any attempted assignment or transfer by the Borrower without such consent shall be null and void), (ii) no assignment shall be made to any Defaulting Lender or any of its Subsidiaries, or any Persons who, upon becoming a Lender hereunder, would constitute any of the foregoing Persons described in this clause (ii) and (iii) no Lender may assign or otherwise transfer its rights or obligations hereunder except in accordance with this Section. Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby (including any Affiliate of any Issuing Bank that issues any Letter of Credit), Participants (to the extent provided in paragraph (c) of this Section), the Indemnitees and, to the extent expressly contemplated hereby, the Related Parties of each of the Administrative Agent, the Swingline Lender, the Issuing Banks and the Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) (i) Subject to the conditions set forth in paragraphs (b)(ii) and (f) below, any Lender may assign to one or more Eligible Assignees all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans at the time owing to it) with the prior written consent (such consent not to be unreasonably withheld or delayed) of (A) the Borrower; *provided* that (A) the Borrower shall be deemed to have consented to any assignment unless it has objected thereto by written notice to the Administrative Agent within 10 calendar days after receipt of a written request for such consent and (B) no consent of the Borrower shall be required for an assignment (x) solely in the case of Term Loans, to any Lender, an Affiliate of any Lender or an Approved Fund, (y) solely in the case of Revolving Loans and Revolving Commitments, to any Revolving Lender, an Affiliate of any Revolving Lender or an Approved Fund, or (z) if an Event of Default under Section 7.01(a), (b), (h) or (i) has occurred and is continuing; *provided, further*, that if any such purported assignment is to a Competitor (other than any such assignment to a Lead Arranger (or to any Affiliate of a Lead Arranger) for the purpose of facilitating bona fide trades of Term Loans to entities that are not Disqualified Lenders), the Borrower may unreasonably withhold its consent; and *provided, further*, that the

Borrower shall have the right to withhold its consent to any assignment if in order for such assignment to comply with applicable law, the Borrower would be required to obtain the consent of, or make any filing or registration with, any Governmental Authority, (B) the Administrative Agent; *provided that*, solely in the case of Term Loans, no consent of the Administrative Agent shall be required for an assignment to any Lender, an Affiliate of any Lender or an Approved Fund and (C) solely in the case of Revolving Loans and Revolving Commitments, each Issuing Bank and the Swingline Lender; *provided that*, for the avoidance of doubt, no consent of any Issuing Bank or the Swingline Lender shall be required for an assignment of all or any portion of a Term Loan or Term Commitment. Notwithstanding anything in this Section 9.04 to the contrary, if the consent of the Borrower is required by this paragraph with respect to any assignment and the Borrower has not given the Administrative Agent written notice of its objection to such assignment within five (5) Business Days after written notice to the Borrower, the Borrower shall be deemed to have consented to such assignment.

(ii) Assignments shall be subject to the following additional conditions: (A) except in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund or an assignment of the entire remaining amount of the assigning Lender's Commitment or Loans of any Class, the amount of the Commitment or Loans of the assigning Lender subject to each such assignment (determined as of the trade date specified in the Assignment and Assumption with respect to such assignment or, if no trade date is so specified, as of the date the Assignment and Assumption with respect to such assignment is delivered to the Administrative Agent) shall in the case of Revolving Loans not be less than \$5,000,000 (and integral multiples of \$1,000,000 in excess thereof) or, in the case of a Term Loan \$250,000 (and integral multiples thereof), unless the Borrower and the Administrative Agent otherwise consent (such consent not to be unreasonably withheld or delayed); *provided that* no such consent of the Borrower shall be required if an Event of Default under Section 7.01(a), (b), (h) or (i) has occurred and is continuing, (B) 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; *provided that* this clause (B) shall not be construed to prohibit assignment of a proportionate part of all the assigning Lender's rights and obligations in respect of one Class of Commitments or Loans, (C) the parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Assumption via an electronic settlement system acceptable to the Administrative Agent or, if previously agreed by the Administrative Agent, manually, in each case together (unless waived by the Administrative Agent) with a processing and recordation fee of \$3,500; *provided that* the Administrative Agent, in its sole discretion, may elect to waive such processing and recordation fee; *provided, further*, that assignments made pursuant to Section 2.17(b) or Section 9.02(c) shall not require the signature of the assigning Lender to become effective, (D) the assignee, if it shall not be a Lender, shall deliver to the Administrative Agent any tax forms required by Section 2.15(e) and an

Administrative Questionnaire in which the assignee designates one or more credit contacts to whom all syndicate-level information (which may contain material non-public information about the Borrower, the Loan Parties and their Related Parties or their respective securities) will be made available and who may receive such information in accordance with the assignee's compliance procedures and applicable laws, including Federal and state securities laws and (E) unless the Borrower otherwise consents, no assignment of all or any portion of the Revolving Commitment of a Lender that is also the Swingline Lender or an Issuing Bank may be made unless (1) the assignee shall be or become a Swingline Lender and/or an Issuing Bank, as applicable, and assume a ratable portion of the rights and obligations of such assignor in its capacity as Swingline Lender and/or Issuing Bank, as applicable, or (2) the assignor agrees, in its discretion, to retain all of its rights with respect to and obligations to make or issue Swingline Loans and Letters of Credit, as applicable, hereunder in which case the Applicable Fronting Exposure of such assignor may exceed such assignor's Revolving Commitment for purposes of Section 2.22(a) by an amount not to exceed the difference between the assignor's Revolving Commitment prior to such assignment and the assignor's Revolving Commitment following such assignment; *provided* that no such consent of the Borrower shall be required if an Event of Default under Section 7.01(a), (b), (h) or (i) has occurred and is continuing.

(iii) Subject to acceptance and recording thereof pursuant to paragraph (b)(v) of this Section, from and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party hereto and, to the extent of the interest assigned by such Assignment and Assumption, 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 Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption 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 (and subject to the obligations and limitations of) Sections 2.13, 2.14, 2.15 and 9.03 and to any fees payable hereunder that have accrued for such Lender's account but have not yet been paid). Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section 9.04 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 paragraph (c)(i) of this Section 9.04.

(iv) The Administrative Agent, acting for this purpose as an agent of the Borrower, shall maintain at one of its offices a copy of each Assignment and Assumption delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Commitment of, and principal and interest amounts of the Loans and LC Disbursements owing to, each Lender pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and Holdings, the Borrower, the Administrative Agent, the Issuing Banks and the Lenders shall 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. In addition, the Administrative Agent shall maintain on the Register information regarding the

designation, and revocation of designation, of any Lender as a Defaulting Lender. The Register shall be available for inspection by the Borrower, the Issuing Banks and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(v) Upon its receipt of a duly completed Assignment and Assumption executed by an assigning Lender and an assignee, the assignee's completed Administrative Questionnaire and any tax forms required by Section 2.15(e) (unless the assignee shall already be a Lender hereunder), the processing and recordation fee referred to in paragraph (b) of this Section 9.04 and any written consent to such assignment required by paragraph (b) of this Section 9.04, the Administrative Agent shall accept such Assignment and Assumption and record the information contained therein in the Register. No assignment shall be effective for purposes of this Agreement unless it has been recorded in the Register as provided in this paragraph.

(vi) The words "execution," "signed," "signature" and words of like import in any Assignment and Assumption shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act or any other similar state laws based on the Uniform Electronic Transactions Act.

(c) (i) Any Lender may, without the consent of the Borrower, the Administrative Agent, the Issuing Banks or the Swingline Lender, sell participations to one or more banks or other Persons other than a natural person, any VV Holder, any Affiliate of Vincent Viola (including any trust established for the benefit of his spouse or children), a Disqualified Lender, Holdings, any Intermediate Parent, the Borrower or any of the Borrower's Subsidiaries (a "Participant") in 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 owing to it); *provided* that (A) such Lender's obligations under this Agreement shall remain unchanged, (B) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (C) Holdings, the Borrower, the Administrative Agent, the Issuing Banks and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement. 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 any other Loan Documents and to approve any amendment, modification or waiver of any provision of this Agreement and any other Loan Documents; *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 clauses (i), (ii), (iii), (vii) and (viii) of the first proviso to Section 9.02(b) that directly and adversely affects such Participant. Subject to paragraph (c)(iii) of this Section, the Borrower agrees that each Participant shall be entitled to the benefits of Sections 2.13, 2.14 and 2.15 (subject to the obligations and limitations of such Sections, including Section 2.15(e), *provided* that any forms required to be delivered by any Participant pursuant to Section 2.15(e) shall be provided solely to the participating Lender)) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to paragraph (b) of this Section. To the extent permitted by law, each Participant also shall be entitled to the benefits of Section 9.08 as though it were a Lender; *provided* that such Participant agrees to be subject to Section 2.16(c) as though it were a Lender.

(ii) 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 related interest amounts) of each participant's interest in the Loans or other obligations under this Agreement (the "**Participant Register**"); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register to any Person (including the identity of any Participant or any information relating to a Participant's interest in any Commitment, Loan, Letter of Credit or other obligation under any Loan Document) except to the extent such disclosure is necessary in connection with an audit or other proceeding to establish that such Commitment, Loan, Letter of Credit or other obligation is in registered form under Section 5f.103-1(c) of the U.S. 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.

(iii) A Participant shall not be entitled to receive any greater payment under Section 2.13 or Section 2.15 than the applicable Lender would have been entitled to receive with respect to the participation sold to such Participant, unless the sale of the participation to such Participant is made with the Borrower's prior written consent.

(d) **Any Lender may, without the consent of the Borrower or the Administrative Agent, at any time pledge or assign a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any pledge or assignment to secure obligations to a Federal Reserve Bank or other "central" bank, and this Section shall not apply to any such pledge or assignment of a security interest, *provided***

that no such pledge or assignment of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or assignee for such Lender as a party hereto.

(e) 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 or any Lender hereunder (and interest accrued thereon) and (y) acquire (and fund as appropriate) its full *pro rata* share of all Loans and participations in Letters of Credit and Swingline Loans in accordance with its Applicable 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.

(f) Notwithstanding anything to the contrary contained in this Section 9.04 or any other provision of this Agreement, so long as no Default or Event of Default has occurred and is continuing or would result therefrom, each Lender shall have the right at any time to sell, assign or transfer all or a portion of its Term Commitments or Term Loans to Holdings or one of its Subsidiaries on a non *pro rata* basis through one or more open market purchases; *provided* that (i) the assigning Lender and the purchaser shall execute and deliver to the Administrative Agent a Borrower Assignment and Assumption which shall include a representation to the assigning Lender at the time of assignment that the it does not possess material non-public information (or, if Holdings or a parent company of Holdings is not at the time a public reporting company, material information of a type that would not reasonably be expected to be publicly available if Holdings or such parent company was a public reporting company) with respect to Holdings and its Subsidiaries that

has not been disclosed to the assigning Lender or the Lenders generally (other than the Lenders that have elected not to receive material non-public information), (ii) any Loans so repurchased shall be immediately canceled, and (iii) no proceeds of Revolving Loans shall be utilized to make such purchases.

Section 9.05. Survival. All covenants, agreements, representations and warranties made by the Loan Parties in the Loan Documents and in the certificates or other instruments delivered in connection with or pursuant to any Loan Document shall be considered to have been relied upon by the other parties hereto and shall survive the execution and delivery of the Loan Documents and the making of any Loans and issuance of an Letters of Credit, regardless of any investigation made by any such other party or on its behalf and notwithstanding that the Administrative Agent, any Issuing Bank or any Lender may have had notice or knowledge of any Default or incorrect representation or warranty at the time any credit is extended hereunder, and shall continue in full force and effect until the Termination Date. The provisions of Sections 2.13, 2.14, 2.15, 9.03, 9.08 and Article 8 shall survive and remain in full force and effect regardless of the consummation of the transactions contemplated hereby and the occurrence of the Termination Date.

Section 9.06. Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement, the other Loan Documents and any separate letter agreements with respect to fees payable to the Administrative Agent or the syndication of the Loans and Commitments constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4.01, this Agreement shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto, and thereafter shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or other electronic means shall be effective as delivery of an original executed counterpart of this Agreement.

Section 9.07. Severability. Any provision of this Agreement held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction. Without limiting the foregoing provisions of this Section 9.07, if and to the extent that the enforceability of any provisions in this Agreement relating to Defaulting Lenders shall be limited by Debtor Relief Laws, as determined in good faith by the Administrative Agent, the Issuing Banks or the Swingline Lender, as applicable, then such provisions shall be deemed to be in effect only to the extent not so limited. The parties hereto shall endeavor in good faith negotiations to replace any invalid, illegal or unenforceable provisions with valid, legal and enforceable provisions the economic effect

of which comes as close as reasonably possible to that of the invalid, illegal or unenforceable provisions.

Section 9.08. Right of Setoff. If an Event of Default shall have occurred and be continuing, each Lender, each Issuing Bank and each of their respective Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held and other obligations (in whatever currency) at any time owing by such Lender, any such Issuing Bank or any such Affiliate to or for the credit or the account of the Borrower against any of and all the obligations of the Borrower then due and owing under this Agreement held by such Lender or Issuing Bank, irrespective of whether or not such Lender or Issuing Bank shall have made any demand under this Agreement and although (i) such obligations may be contingent or unmatured and (ii) such obligations are owed to a branch or office of such Lender or Issuing Bank different from the branch or office holding such deposit or obligated on such Indebtedness; *provided* that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 2.21 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent and the Lenders and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Secured Obligations owing to such Defaulting Lender as to which it exercised such right of setoff. The applicable Lender and applicable Issuing Bank shall notify the Borrower and the Administrative Agent of such setoff and application; *provided* that any failure to give or any delay in giving such notice shall not affect the validity of any such setoff and application under this Section. The rights of each Lender, each Issuing Bank and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such Issuing Bank and their respective Affiliates may have.

Section 9.09. Governing Law; Jurisdiction; Consent to Service of Process.

(a) This Agreement shall be construed in accordance with and governed by the law of the State of New York; *provided* that, notwithstanding the foregoing, it is understood and agreed that (x) the interpretation of the definition of “Company Material Adverse Effect” (as defined in the Merger Agreement) (and whether or not a Company Material Adverse Effect has occurred), (y) the determination of the accuracy of any Acquisition Agreement Representation and whether a breach of any such representation results in (1) the Borrower or any of its Affiliates having the right to terminate its or their obligations under the Merger Agreement (after giving effect to any applicable notice and cure period) or (2) the failure of a condition precedent to the Borrower’s obligation to consummate the Acquisition pursuant to the Merger Agreement and (z) the determination of whether the Acquisition has been

consummated in accordance with the terms of the Merger Agreement, in each case shall be governed by, and construed in accordance with, the internal Laws of the State of Delaware, without regard to the conflicts of law principles of such State.

(b) Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Supreme Court of the State of New York sitting in New York County and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such New York State or, to the extent permitted by 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 any Loan Document shall affect any right that the Administrative Agent, any Issuing Bank or any Lender may otherwise have to bring any action or proceeding relating to any Loan Document against Holdings or the Borrower or their respective properties in the courts of any jurisdiction.

(c) Each party hereto hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to the laying of venue of any suit, action or proceeding arising out of or relating to any Loan Document in any court referred to in paragraph (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

(d) Each party to this Agreement irrevocably consents to service of process in the manner provided for notices in Section 9.01. Nothing in any Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

Section 9.10. Waiver of Jury Trial. EACH PARTY HERETO HEREBY 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 ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY (WHETHER

BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

Section 9.11. Headings. Article and Section headings and the Table of Contents used herein are for convenience of reference only, are not part of this Agreement and shall not affect the construction of, or be taken into consideration in interpreting, this Agreement.

Section 9.12. Confidentiality.

(a) Each of the Administrative Agent, the Issuing Banks and the Lenders agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (i) to its and its Affiliates' directors, officers, employees, trustees and agents, including accountants, legal counsel and other agents and advisors and numbering, administration and settlement service providers (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential and any failure of such Persons acting on behalf of the Administrative Agent, any Issuing Bank or the relevant Lender to comply with this Section 9.12 shall constitute a breach of this Section 9.12 by the Administrative Agent, such Issuing Bank or the relevant Lender, as applicable), (ii) to the extent requested by any regulatory authority or self-regulatory authority, required by applicable law or by any subpoena or similar legal process; *provided* that solely to the extent permitted by law and other than in connection with routine audits and reviews by regulatory and self-regulatory authorities, each Lender and the Administrative Agent shall notify the Borrower as promptly as practicable of any such requested or required disclosure in connection with any legal or regulatory proceeding; *provided, further*, that in no event shall any Lender or the Administrative Agent be obligated or required to return any materials furnished by the Borrower or any Subsidiary of Holdings, (iii) to any other party to this Agreement, (iv) in connection with the exercise of any remedies hereunder or any suit, action or proceeding relating to this Agreement or the enforcement of rights hereunder, (v) subject to an agreement containing confidentiality undertakings substantially similar to 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, (B) any actual or prospective counterparty (or its advisors) to any Swap Agreement or derivative transaction relating to any Loan Party or its Subsidiaries and its obligations under the Loan Documents or (C) any pledgee referred to in Section 9.04(d) (it being understood that each Person identified as a “Disqualified Lender” on Schedule 1.01(a) may be disclosed to any assignee or Participant, or prospective assignee or Participant, in reliance on this clause (v)), (vi) if required by any rating agency; *provided* that prior to any such disclosure, such rating agency shall have agreed in writing to maintain the confidentiality of such Information or (vii) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Administrative Agent, any Issuing Bank, any Lender or any of their respective Affiliates on a nonconfidential basis from a source other than Holdings or the Borrower. In addition, the Administrative Agent and the Lead Arrangers may disclose the existence of this Agreement and information about this Agreement (other than any Information) to market data collectors and similar services providers to the lending industry to the extent reasonably required by such market data collectors or service providers to enable such party to receive league table credit for such party’s role in connection with this Agreement and the Transactions. For the purposes hereof, “Information” means all information received from Holdings or the Borrower relating to Holdings, the Borrower, any other Subsidiary or their business, other than any such information that is available to the Administrative Agent, any Issuing Bank or any Lender on a nonconfidential basis prior to disclosure by Holdings, the Borrower or any Subsidiary and other than information pertaining to this Agreement routinely provided by arrangers to data service providers, including league table providers, that serve the lending industry; *provided* that, in the case of information received from Holdings, the Borrower or any Subsidiary 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.

(b) EACH LENDER ACKNOWLEDGES THAT INFORMATION AS DEFINED IN SECTION 9.12(a) FURNISHED TO IT PURSUANT TO THIS AGREEMENT MAY INCLUDE MATERIAL

NON-PUBLIC INFORMATION CONCERNING HOLDINGS, THE BORROWER, THE LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES AND CONFIRMS THAT IT HAS DEVELOPED COMPLIANCE PROCEDURES REGARDING THE USE OF MATERIAL NON-PUBLIC INFORMATION AND THAT IT WILL HANDLE SUCH MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH THOSE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

(c) ALL INFORMATION, INCLUDING REQUESTS FOR WAIVERS AND AMENDMENTS FURNISHED BY THE BORROWER OR THE ADMINISTRATIVE AGENT PURSUANT TO, OR IN THE COURSE OF ADMINISTERING, THIS AGREEMENT, WILL BE SYNDICATE-LEVEL INFORMATION, WHICH MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION ABOUT HOLDINGS, THE BORROWER, THE LOAN PARTIES AND THEIR RELATED PARTIES OR THEIR RESPECTIVE SECURITIES. ACCORDINGLY, EACH LENDER REPRESENTS TO THE BORROWER AND THE ADMINISTRATIVE AGENT THAT IT HAS IDENTIFIED IN ITS ADMINISTRATIVE QUESTIONNAIRE A CREDIT CONTACT WHO MAY RECEIVE INFORMATION THAT MAY CONTAIN MATERIAL NON-PUBLIC INFORMATION IN ACCORDANCE WITH ITS COMPLIANCE PROCEDURES AND APPLICABLE LAW, INCLUDING FEDERAL AND STATE SECURITIES LAWS.

Section 9.13. USA Patriot Act. Each Lender that is subject to the USA Patriot Act and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow such Lender or the Administrative Agent, as applicable, to identify each Loan Party in accordance with the USA Patriot Act.

Section 9.14. Release of Liens and Guarantees.

(a) A Subsidiary Loan Party shall automatically be released from its obligations under the Loan Documents, and all security interests created by the Security Documents in Collateral owned by such Subsidiary Loan Party shall be automatically released, (1) upon the consummation of any transaction permitted by this Agreement as a result of which such Subsidiary Loan Party ceases to be a Restricted Subsidiary (including pursuant to a merger with a Subsidiary that is not a Loan Party

or designation as an Unrestricted Subsidiary), (2) upon the request of the Borrower in connection with a transaction permitted under Section 6.13(a), as a result of which such Subsidiary Loan Party ceases to be a Wholly Owned Subsidiary, (3) upon the request of the Borrower, if permitted pursuant to Section 6.13(b) or (4) upon the request of the Borrower, if such Subsidiary Loan Party becomes a Regulated Subsidiary or an Excluded Subsidiary. Upon any sale or other transfer by any Loan Party (other than to Holdings, the Borrower or any Subsidiary Loan Party) of any Collateral in a transaction permitted under this Agreement, or upon the effectiveness of any written consent to the release of the security interest created under any Security Document in any Collateral or the release of Holdings or any Subsidiary Loan Party from its Guarantee under the Guarantee Agreement pursuant to Section 9.02, the security interests in such Collateral created by the Security Documents or such guarantee shall be automatically released. Upon the occurrence of the Termination Date, all obligations under the Loan Documents and all security interests created by the Security Documents shall be automatically released. In connection with any termination or release pursuant to this Section or if a Loan Party requests the Administrative Agent to confirm that its Lien granted under the Security Documents does not attach to specified Excluded Assets, the Administrative Agent shall execute and deliver to any Loan Party, at such Loan Party's expense, all documents that such Loan Party shall reasonably request to evidence such termination, release or confirmation so long as the Borrower or applicable Loan Party shall have provided the Administrative Agent such certifications or documents as the Administrative Agent shall reasonably request in order to demonstrate compliance with this Agreement or that such assets constitute Excluded Assets.

(b) The Administrative Agent will, at the Borrower's expense, execute and deliver to the applicable Loan Party such documents as such Loan Party may reasonably request to subordinate its Lien on any property granted to or held by the Administrative Agent under any Loan Document to the holder of any Lien on such property that is permitted by Section 6.02(iv).

(c) Each of the Lenders and the Issuing Bank irrevocably authorizes the Administrative Agent to provide any release or evidence of release, termination or subordination contemplated by this Section 9.14. Upon request by the Administrative Agent at any time, the Required Lenders will confirm in writing the Administrative Agent's authority to release or subordinate its interest in particular types or items of property,

or to release any Loan Party from its obligations under any Loan Document, in each case in accordance with the terms of the Loan Document and this Section 9.14.

Section 9.15. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each of the Borrower and Holdings acknowledges and agrees that (i) (A) the arranging and other services regarding this Agreement provided by the Administrative Agent, the Lenders and the Lead Arrangers are arm's-length commercial transactions between the Borrower, Holdings and their respective Affiliates, on the one hand, and the Administrative Agent, the Lenders and the Lead Arrangers, on the other hand, (B) each of the Borrower and Holdings has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) each of the Borrower and Holdings is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) each of the Administrative Agent, the Lenders and the Lead Arrangers is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not and will not be acting as an advisor, agent or fiduciary for the Borrower, Holdings, any of their respective Affiliates or any other Person and (B) none of the Administrative Agent, the Lenders and the Lead Arrangers has any obligation to the Borrower, Holdings or any of their respective Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the Lenders and the Lead Arrangers and their respective Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower, Holdings and their respective Affiliates, and none of the Administrative Agent, the Lenders and the Lead Arrangers has any obligation to disclose any of such interests to the Borrower, Holdings or any of their respective Affiliates. To the fullest extent permitted by law, each of the Borrower and Holdings hereby waives and releases any claims that it may have against the Administrative Agent, the Lenders and the Lead Arrangers with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 9.16. Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable law (the "**Maximum Rate**"). If the Administrative Agent or any Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loans or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged or received by the Administrative Agent or a Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable law, (a) characterize any payment that is not principal as an expense, fee or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof, and (c) amortize, prorate, allocate and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the obligations hereunder.

Section 9.17. Lender Action. Each Lender and the Issuing Bank agrees that it shall not take or institute any actions or proceedings, judicial or otherwise, for any right or remedy against any Loan Party or any other obligor under any of the Loan Documents (including the exercise of any right of setoff, rights on account of any banker's lien or similar claim or other rights of self-help), or institute any actions or proceedings, or otherwise commence any remedial procedures, with respect to any Collateral or any other property of any such Loan Party, unless expressly provided for herein or in any other Loan Document, without the prior written consent of the Administrative Agent. The provisions of this Section 9.17 are for the sole benefit of the Lenders and the Issuing Bank and shall not afford any right to, or constitute a defense available to, any Loan Party.

Section 9.18. Marshalling; Payments Set Aside. Neither the Administrative Agent nor any Lender shall be under any obligation to marshal any assets in favor of any Loan Party or any other Person or against or in payment of any or all of the Secured Obligations. To the extent that any Loan Party makes a payment or payments to the Administrative Agent or Lenders (or to the Administrative Agent, on behalf of Lenders), or the Administrative Agent or Lenders enforce any security interests or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, any other state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be revived and continued in full force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

Section 9.19. Margin Stock; Collateral. Each of the Lenders represents to the Administrative Agent and each of the other Lenders that it in good faith is not relying upon any margin stock (within the meaning of Regulation U of the Board of Governors) as collateral in the extension or maintenance of the credit provided in this Agreement.

Section 9.20. Acknowledgement and Consent to Bail-in of ~~EEA~~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 ~~EEA~~Affected Financial Institution arising under any Loan Document may be subject to the Write-Down and Conversion Powers of ~~an EEA~~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 ~~an EEA~~the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an ~~EEA~~Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, to the extent applicable:

(i) 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 ~~EEA~~Affected Financial Institution, its parent entity, 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 ~~any EEA~~the applicable Resolution Authority.

Section 9.21. Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Agreement or any other agreement or instrument that is a QFC (such support, “QFC Credit Support”, and each such QFC, a “Supported QFC”), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the “U.S. Special Resolution Regimes”) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a) In the event a Covered Entity that is party to a Supported QFC (each, a “Covered Party”) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a state of the United States.

Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b) As used in this Section 9.21, the following terms have the following meanings:

“BHC Act Affiliate” of a party means an “affiliate” (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

“Covered Entity” means any of the following: (i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“QFC” has the meaning assigned to the term “qualified financial contract” in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

[Signature pages intentionally omitted]

Employment Agreement (this "Agreement"), dated as of April 30, 2020 (the "Effective Date"), between Virtu Financial Operating LLC, a Delaware limited liability company (together with all parents, affiliates and subsidiaries as the "Company"), and Joseph Molluso ("Executive").

WHEREAS, Executives's agreement to enter into this Agreement and be bound by the terms hereof, including the restrictive covenants described herein, is a material inducement to the Company's willingness to provide equity-based compensation to Executive as described herein, and the Company would not otherwise grant such equity-based compensation to Executive if Executive did not agree to enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual agreements, provisions and covenants contained herein, and intending to be legally bound hereby, the parties hereto agree as set forth below:

1. **Term.**
 - a. The term of Executive's employment under this Agreement shall continue from the Effective Date until the three (3)-year anniversary of the Effective Date (the "Initial Expiration Date"), provided that on the Initial Expiration Date and each subsequent anniversary of the Initial Expiration Date, the term of Executive's employment under this Agreement shall be extended for one (1) additional year unless either party provides written notice to the other party at least ninety (90) days prior to the Initial Expiration Date (or any such anniversary, as applicable) that Executive's employment hereunder shall not be so extended (in which case, Executive's employment under this Agreement shall terminate on the Initial Expiration Date or expiration of the extended term, as applicable); provided, however, that Executive's employment under this Agreement may be terminated at any time pursuant to the provisions of Section 5. The period of time from the Effective Date through the termination of this Agreement and Executive's employment hereunder pursuant to its terms is herein referred to as the "Term"; and the date on which the Term is scheduled to expire (i.e., the Initial Expiration Date or the scheduled expiration of the extended term, if applicable) is herein referred to as the "Expiration Date." Notwithstanding anything contained herein to the contrary, if upon the effective date of a Change in Control, the Expiration Date is less than one (1) year from the date of such Change in Control, the Term shall automatically be renewed so that the Expiration Date is one (1) year from the effective date of such Change in Control.
 - b. Executive agrees and acknowledges that the Company has no obligation to extend the Term or to continue Executive's employment following the Expiration Date, and Executive expressly acknowledges that no promises or understandings to the contrary have been made or reached. Executive also agrees and acknowledges that, should Executive and the Company choose to continue Executive's employment for any period of time following the Expiration Date without extending the term of Executive's employment under this Agreement or entering into a new written employment agreement, Executive's employment with the Company shall be "at will," such that the Company may terminate Executive's employment at any time, with or without reason and with or without notice, and Executive may resign at any time, with or without reason and with or without notice (for the sake of clarity, the provisions of this Agreement shall not apply following the expiration of the Term (except as otherwise expressly provided herein)).
2. **Definitions.** For purposes of this Agreement, the following terms, as used herein, shall have the definitions set forth below.
 - a. "Affiliate" means, with respect to any specified Person, any other Person that directly or indirectly, through one or more intermediaries, Controls, is Controlled by, or is under common Control with, such specified Person; provided, that in no event shall any entity Controlled by Vincent Viola but in which the Company does not have a direct or indirect ownership interest be treated as an Affiliate of the Company.
 - b. "Cause" means that any of the following occurs:
 - i. Executive is convicted of, or pleads guilty or *nolo contendere* to, any felony or commits any fraudulent or illegal acts with regard to the Company or its employees, independent contractors, officers, members or managers;
 - ii. Executive is repeatedly intoxicated or under the influence of illegal substances while performing his employment duties;
 - iii. Executive does not have any necessary license or regulatorily required qualification, or becomes subject to a decree or order, in each case, from a regulatory agency, in each case, that prevents him from working for the Company;
 - iv. Executive (A) violates any material regulatory or trading policy, procedure, requirement, rule or regulation of the Company, any exchange, regulatory agency or self-regulatory body with authority to govern or regulate him or the Company, (B) violates any material obligation or is in breach of any representation in this Agreement (including for the avoidance of doubt any exhibit hereto), or (C) violates any material written company policy as stated in the Company's employee policy manual (as amended or revised by the Company from time to time) or the Company's Code of Conduct and Ethics; provided, that any act, or failure to act, based upon the instructions of the Board or the Chief Executive Officer ("CEO") or reasonably based upon the written advice of counsel for the Company shall not be considered a violation under clauses (A) or (C) herein;
 - v. Executives intentionally and wrongfully damages material assets of the Company;
 - vi. Executive intentionally and wrongfully discloses material confidential information of the Company; or
 - vii. Executive intentionally and wrongfully engages in any competitive activity which constitutes a material breach of this Agreement, the Proprietary Invention Assignment, Noncompetition and Confidentiality Agreement (enclosed herewith as Exhibit A), and/or a breach

of his duty of loyalty;

provided that Cause shall not apply to any act or omission described above unless the Company provides written notice of the act or omission (which, except in the case of an allegation of Cause that is subject to cure, may be provided at the time of termination) and, with respect to clauses (iii), (iv), or (vi), if curable, the act or omission is cured within thirty (30) days after receipt of such notice and does not recur within 180 days after the initial act or omission.

- c. "Change in Control" has the meaning set forth in the Plan.
- d. "Control" means (including, with correlative meanings, the terms "Controlled by" and "under common Control with"), as used with respect to any Person, means the direct or indirect possession of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities or by contract.
- e. "Disability" means means Executive would be entitled to long-term disability benefits under the Company's long-term disability plan as in effect from time to time, without regard to any waiting or elimination period under such plan and assuming for the purpose of such determination that Executive is actually participating in such plan at such time. If the Company does not maintain a long-term disability plan, "Disability" means Executive's inability to perform Executive's duties and responsibilities hereunder on a full-time basis for a consecutive period of one hundred eighty (180) days in any three hundred sixty-five (365)-day period due to physical or mental illness or incapacity that is determined to be total and permanent by a physician selected by the Company or its insurers and reasonably acceptable to the Executive or his legal representative.
- f. "Good Reason" means the termination of Executive's employment at his initiative after, without Executive's prior written consent, one (1) or more of the following events:
- i. an adverse change in Executive's title or reporting relationship such that he no longer reports directly to the Chief Executive Officer of the ultimate parent company of Virtu or a material reduction in authority, duties or responsibilities at the Company or a successor employer relative to the Executive's authority, duties or responsibilities (with respect to a termination in connection with a Change in Control, relative to Executive's authority, title, duties or responsibilities immediately prior to the Change in Control) or being required to report other than to the CEO or the Board or a material reduction in Base Salary;
 - ii. a material breach of this Agreement by the Company or a successor employer; or
 - iii. required relocation or performance of primary services (other than through routine and reasonable travel) by the Executive more than thirty (30) miles from his current place of employment in order to continue to perform the duties and responsibilities of his position.
- Notwithstanding the above, Executive's termination of employment will not be for Good Reason unless (1) he notifies the Company in writing of the existence of the condition that he believes constitutes Good Reason within 30 days of the initial existence of such condition (which notice specifically identifies such condition), (2) the Company fails to remedy such condition within thirty (30) days after the date on which it receives such notice (the "Remedial Period"), and (3) so long as the Company acknowledges in writing the existence of Good Reason, the Executive actually terminates employment within thirty (30) days following the expiration of the Remedial Period and before the Company remedies such condition. If the Company does not acknowledge in writing the existence of Good Reason, Executive shall only be required to resign for Good Reason within two years of the end of the Remedial Period.
- g. "Person" means any individual, firm, corporation, partnership, limited liability company, trust, joint venture, association, unincorporated entity or other entity.
- h. "Plan" means the Virtu Financial, Inc. Amended and Restated 2015 Management Incentive Plan.

3. Duties and Responsibilities.

- a. The Company hereby employs Executive and Executive hereby accepts employment, subject to the terms and conditions contained herein, during the Term, as Co-President and Co-Chief Operating Officer, reporting directly to the Company's Chief Executive Officer. During the Term, Executive agrees to be employed by and devote substantially all of Executive's business time and attention to the Company and the promotion of its interests and to use his best efforts to faithfully and diligently serve the Company; provided, however, that, to the extent such activities do not significantly interfere with the performance of his duties, services and responsibilities under this Agreement, Executive shall be permitted to (i) manage his and his immediate family's personal, financial and legal affairs, (ii) serve on civic or charitable boards and committees of such boards and (iii) to the extent approved by the Board pursuant to a duly authorized resolution of the Board, serve on corporate boards and committees of such boards. Executive will perform such lawful duties and responsibilities as are commensurate with Executive's titles and positions and as are generally consistent with those exercised by Executive prior to the Effective Date, and such other duties and responsibilities commensurate with Executive's titles and positions as may be reasonably requested by the Chief Executive Officer from time to time. Executive will have the authority customarily exercised by an individual serving as Co-President and Co-Chief Operating Officer of a corporation of the size and nature of the Company. During the Term, upon request Executive shall serve as a director or an officer of one or more subsidiaries of the Company, or of an Affiliate of the Company. Executive shall not be compensated additionally in Executive's capacity as a member of the Board or as a director or officer of a subsidiary or Affiliate of the Company.
- b. During the Term, Executive's principal place of employment shall be in the Company's principal office in Manhattan, New York. Executive acknowledges that Executive's duties and responsibilities shall require Executive to travel on business to the extent reasonably necessary to

fully perform Executive's duties and responsibilities hereunder.

4. Compensation and Related Matters.

- a. **Base Salary.** As of the Effective Date, Executive shall receive an annual base salary ("Base Salary") of \$500,000 per year, payable in accordance with the Company's normal payroll procedures and may be increased (but not decreased) by the CEO together with the Compensation Committee (as defined below) in its sole discretion (such salary, as may be increased, the "Base Salary"). For the avoidance of doubt, the position is exempt from any and all overtime laws.
- b. **Annual Bonus.** During the Term, for each calendar year, Executive shall be eligible to receive an annual bonus ("Annual Bonus") with a minimum Annual Bonus amount of \$2,500,000 with respect to the fiscal year ended December 31, 2020 (the "2020 Bonus") and \$1,500,000 with respect to each of the fiscal years ended December 31, 2021 and December 31, 2022 (the "Minimum Bonus") and a maximum Annual Bonus amount of \$2,500,000 (the "Maximum Bonus"). Eighty percent (80%) of the Annual Bonus shall be based on the achievement of annual quantitative targets established in the sole and absolute discretion of the Compensation Committee (the "Compensation Committee") of the Board of Directors of Virtu Financial, Inc. ("Virtu") together with the Company's CEO (the "Quantitative Goals") and the remaining twenty percent (20%) of the Annual Bonus will be based on annual qualitative targets established in the sole and absolute discretion of the Compensation Committee together with the Company's CEO (the "Qualitative Goals"). Accordingly, up to \$2,000,000 of the Maximum Bonus may be earned based on the achievement of the Quantitative Goals and up to \$500,000 of the Maximum Bonus may be earned based on the achievement of the Qualitative Goals. Any Annual Bonus payable may be paid in a combination of cash and long-term equity, and the proportion between cash and long-term equity will be entirely within the discretion of the Company but is expected to be paid 40% in cash and 60% in stock and restricted stock units in Virtu, which shall be subject to the terms and conditions of the Plan and a separate award agreement. Any performance bonus will be paid at a time such that it qualifies as a "short-term deferral" under Section 409A and is conditioned upon Executive's continued employment in good standing through the date on which such Annual Bonus is paid, except as otherwise set forth herein.
- c. **Sign-on Compensation.** In consideration of cash and equity compensation forfeited by the Executive in connection with the commencement of his employment with the Company, within fifteen (15) days of the Effective Date:
- i. the Executive will be granted 200,000 Restricted Stock Units ("RSUs") of the Company (the "Sign on Equity Award"), vesting in three equal installments on January 24, 2021, January 24, 2022 and January 24, 2023 and otherwise issued pursuant to and subject to the terms and conditions of the Plan and a separate award agreement attached hereto as Exhibit B, which shall include the approval of the Compensation Committee, and which shall also provide that in the event of Executive's termination other than for Cause or resignation for Good Reason (x) the next scheduled vesting installment prorated for the number of days elapsed during the applicable vesting period, plus (y) the full next installment of Stock scheduled for vesting, if any, shall together be deemed vested immediately upon such termination (the "Sign on Equity Award Acceleration"); and
 - ii. the Executive will receive a cash sign-on bonus of \$2,500,000, \$1,666,667 of which shall be subject to a prorated clawback right of the Company based on the proportion of the Term elapsed as of the date that Executive's employment is terminated for Cause or Executive resigns without Good Reason.
- d. **Initial Equity Award.** Within fifteen (15) days of the Effective Date, the Executive will be granted 150,000 restricted shares of class A common stock of the Company (the "Initial Equity Award") which shall be earned and vest in accordance with the terms hereof and the terms of the applicable award agreement and the terms of the Plan.
- i. The Initial Equity Award shall be earned and vested in three separate annual installments, and the number of shares earned with respect to the installment for each calendar year ended during such period shall be determined based on the percentage of the Company's budgeted EBITDA achieved in such calendar year in accordance with the following table:

Percentage of Budgeted EBITDA Achieved	Number of Shares Earned
75% or more	50,000
74%	45,000
73%	40,000
72%	35,000
71%	30,000
70%	25,000
Less than 70%	0

If the percentage of the Company's budgeted EBITDA achieved is greater than 70% but less than 75%, then the amount of earned shares in the table above will be determined based on linear interpolation.

- ii. To the extent any shares of Stock are earned with respect to the Initial Equity Award in accordance with 4(c)(i), such shares shall vest on the last day of the calendar year to which such instalment relates, subject in all cases to the Executive's continued employment through the applicable vesting date.

iii. The Initial Equity Award will be issued pursuant to the Plan and will be subject to the terms and conditions of the Plan and a separate award agreement attached hereto as Exhibit C, which shall include the approval of the Compensation Committee, and which shall also provide that in the event of Executive's termination other than for Cause or resignation for Good Reason (x) the next scheduled vesting installment prorated for the number of days elapsed during the applicable vesting period, plus (y) the full next installment of Stock scheduled for vesting, if any, shall together be deemed vested immediately upon such termination (the "Initial Equity Award Acceleration").

e. Annual Equity Awards. In addition, commencing with calendar year 2020, Executive shall be eligible to receive an equity award at the beginning of each calendar year during his employment (each such grant, an "Annual Equity Award") as determined by the Compensation Committee together with the Company's CEO. It is the current intention of the Company that such Annual Equity Award will be in the form of restricted shares of Stock; 50% of such shares shall vest on the last day of the calendar year to which such award relates and the remaining 50% shall vest on the last day of the subsequent calendar year, subject in all cases to Executive's continued employment through the applicable vesting date.

f. Benefits and Perquisites. Executive will be eligible for all employee benefits offered by the Company to employees in similar positions. The Company retains the right to modify or change its benefits and compensation policy from time to time, as it deems necessary, other than those provided for Executive in this employment agreement. The Company also retains the right to assign Executive's employment agreement to an Affiliate, subject to the terms and conditions of this Agreement.

g. Indemnification. The Company will indemnify Executive to the fullest extent permitted by law and the Company's governing documents.

5. Termination of Employment.

a. Executive's employment under this Agreement may be terminated by either party at any time and for any reason; provided, however, that Executive shall be required to give the Company at least sixty (60) days' advance written notice of any voluntary resignation of Executive's employment hereunder (other than resignation for Good Reason) (and in such event the Company in its sole discretion may elect to accelerate Executive's date of termination of employment, it being understood that such termination shall still be treated as a voluntary resignation for purposes of this Agreement). Notwithstanding the foregoing, Executive's employment shall automatically terminate upon Executive's death.

b. Upon termination, irrespective of the reason, the Company shall pay Executive: (i) unpaid salary earned through the date of termination; (ii) compensation at the rate of the salary for any vacation time earned but not used as of the date Executive's employment terminates in accordance with Company policies as then in effect; (iii) reimbursement, in accordance with the Company's policies and procedures, for business expenses incurred by Executive but not yet paid as of the date employment terminates; and (iv) all other payments, benefits or fringe benefits to which Executive is entitled under the terms of the applicable arrangements and/or applicable law (all of the foregoing clauses (i)-(iv) collectively, the "Accrued Obligations").

c. If Executive's employment under this Agreement is terminated (i) by the Company without Cause, (ii) due to Executive's death or Disability, (iii) by Executive for Good Reason, or (iv) due to expiration of the Term on the Expiration Date as a result of the Company delivering a notice of non-renewal as contemplated by Section 1, in addition to the payments and benefits specified in Section 5(b), Executive shall also receive the following termination payments and benefits on or beginning with the first payroll whose cutoff date follows the date Executive's employment ends or according to such timing as otherwise set forth below (collectively, the "Severance Benefits"):

i. an amount equal to greater of (x) the sum of twelve (12) months' Base Salary, at the rate in effect immediately prior to termination (or, if higher, the highest rate in effect within the preceding six months) and (y) an amount equal to the total amount of Base Salary that Executive would have been entitled to receive had Executive continued to be employed through the Expiration Date, payable in a single lump sum on the next payroll date whose cutoff follows the day the Release (as defined below) becomes irrevocable (or, if earlier, within five business days following irrevocability), except where payment is delayed according to the timing relating to the Release Period as set forth below or pursuant to Section 409A (as defined below) (such date, the "Severance Payment Date");

ii. any bonus that the Company had definitively determined to pay to Executive and which was authorized and approved in accordance with the Company's policies and procedures but which had not yet been paid to as of the date of termination, including, to the extent not already paid as of the date of termination under this Section 5(c), the 2020 Bonus, payable in a lump sum at the same date as provided under clause (i) above;

iii. the Sign On Equity Award Acceleration, and the Initial Equity Award Acceleration; and

iv. the employer portion of COBRA continuation coverage for Executive and any covered dependents will continue to be paid in accordance with the Company's regular payroll practices, so long as the Executive has not become actually covered by the medical plan of a subsequent employer during any such month and are otherwise entitled to COBRA continuation coverage, with such payments for up to a maximum of twelve (12) months following the date of termination.

d. Notwithstanding anything herein to the contrary, if at any time within twelve (12) months following a Change in Control (as defined in the Plan as of the date thereof) or in anticipation of a Change of Control towards which material steps have been taken at the time of such termination and such Change of Control actually occurs, Executive's employment under this Agreement is terminated (i) by the Company

without Cause, (ii) due to Executive's death or Disability, (iii) by Executive for Good Reason, or (iv) due to expiration of the Term on the Expiration Date as a result of the Company delivering a notice of non-renewal as contemplated by Section 1, then in lieu of the Severance Benefits described in Section 5(c) the Executive shall be entitled to receive the following:

- i. An amount equal to two (2) times the sum of (x) Executive's Base Salary and (y) the Annual Bonus (including any amounts deferred or satisfied through the grant of equity awards) most recently awarded to Executive for completed fiscal years of the Company payable in a single lump sum on the Severance Payment Date;
 - ii. any bonus that the Company had definitively determined to pay to Executive and which was authorized and approved in accordance with the Company's policies and procedures but which had not yet been paid to as of the date of termination, payable in a lump sum at the same date as provided under clause (i) above;
 - iii. the Sign On Equity Award Acceleration and the Initial Equity Award Acceleration; and
 - iv. the benefits described in Section 5(c)(iv) above.
- e. For avoidance of doubt, all payments owed to the Executive under Section 5 of this Agreement will be paid in a single lump sum on the Severance Payment Date.
- f. Notwithstanding anything else herein to the contrary, the Company's obligation to pay the benefits described herein shall be conditioned on the receipt of a customary release and waiver of all claims (the "Release") in a form substantially consistent with the Company's form separation agreement, and which shall not contain any restrictive covenants more onerous than those to which Executive is already subject. Such release and waiver must be executed and become irrevocable within sixty (60) days following the date Executive's employment ends (the "Release Period"). If such Release Period ends in the calendar year subsequent to the calendar year in which Executive's employment ends and any Severance Benefits or the Change in Control Bonus is subject to Section 409A, payment of such covered amounts will not be made earlier than the first business day of that subsequent year.
- g. To the extent (i) any payments to which Executive becomes entitled under this agreement, or any agreement or plan referenced herein, in connection with Executive's termination of employment with the Company, constitute deferred compensation subject to Section 409A of the Internal Revenue Code ("Section 409A") and (ii) Executive is deemed at the time of such termination of employment to be a "specified" employee under Section 409A, then such payment or payments shall not be made or commence until the earlier of (i) the expiration of the 6-month period measured from the date of Executive's "separation from service" (as such term is at the time defined in regulations under Section 409A) with the Company and (ii) the date of Executive's death following such separation from service, provided, however, that such deferral shall be effected only to the extent required to avoid adverse tax treatment to Executive, including (without limitation) the additional twenty-percent (20%) tax for which Executive would otherwise be liable under Section 409A(a)(1)(B) in the absence of such deferral. Upon the expiration of the applicable deferral period, any payments which would have otherwise been made during that period (whether in a single sum or in installments) in the absence of this paragraph shall be paid to Executive or Executive's beneficiary in one lump sum (without interest). To the extent that any provision of this Agreement is ambiguous as to its exemption or compliance with Section 409A, the provision will be read in such a manner so that (i) all payments hereunder are exempt from Section 409A to the maximum permissible extent and, (ii) for any payments where such construction is not tenable, so that those payments comply with Section 409A to the maximum permissible extent. Payments pursuant to this Agreement (or referenced in this Agreement), and each installment thereof, are intended to constitute separate payments for purposes of Section 1.409A-2(b)(2) of the regulations under Section 409A. All references to termination of employment or similar terms shall be deemed to mean separation from service within the meaning of Section 409A. Notwithstanding anything to the contrary herein, except to the extent any expense, reimbursement or in-kind benefit provided pursuant to this Agreement does not constitute a "deferral of compensation" within the meaning of Section 409A: (x) the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive during any calendar year will not affect the amount of expenses eligible for reimbursement or in-kind benefits provided to Executive in any other calendar year, (y) the Company will reimburse Executive for expenses for which Executive is entitled to be reimbursed on or before the last day of the calendar year following the calendar year in which the applicable expense is incurred or, if earlier, within 30 days after Executive has substantiated the expense, and (z) the right to payment or reimbursement or in-kind benefits hereunder may not be liquidated or exchanged for any other benefit.

6. 280G Matters.

- a. Anything in this Agreement to the contrary notwithstanding, in the event that the Accounting Firm shall determine that receipt of all Payments would subject Executive to tax under Section 4999 of the Code, the Accounting Firm shall determine whether some amount of Agreement Payments meets the definition of "Reduced Amount." If the Accounting Firm determines that there is a Reduced Amount, then the aggregate Agreement Payments shall be reduced to such Reduced Amount.
- b. If the Accounting Firm determines that the aggregate Agreement Payments should be reduced to the Reduced Amount, the Company shall promptly give Executive notice to that effect and a copy of the detailed calculation thereof, and Executive may then elect, in his sole discretion, which and how much of the Agreement Payments shall be eliminated or reduced (as long as after such election the Present Value of the aggregate Agreement Payments equals the Reduced Amount). All determinations made by the Accounting Firm under this Paragraph shall be binding upon the Company and Executive. In connection with making determinations under this Paragraph, the Accounting Firm shall take into account the value of any reasonable compensation for services to be rendered by Executive before or after the Change in Control, including any non-competition provisions that may apply to Executive and the Company shall cooperate in the valuation of any such services, including any non-competition provisions.

- c. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Company to or for Executive's benefit pursuant to this Agreement which should not have been so paid or distributed (each, an "Overpayment") or that additional amounts which will have not been paid or distributed by the Company to or for Executive's benefit pursuant to this Agreement could have been so paid or distributed (each, an "Underpayment"), in each case, consistent with the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm, based upon the assertion of a deficiency by the Internal Revenue Service against either the Company or Executive which the Accounting Firm believes has a high probability of success determines that an Overpayment has been made, any such Overpayment paid or distributed by the Company to or for Executive's benefit shall be repaid by Executive to the Company together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; provided, however, that no such repayment shall be required if and to the extent such deemed repayment would not either reduce the amount on which Executive is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the Accounting Firm, based upon controlling precedent or substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Company to or for Executive's benefit together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code. All fees and expenses of the Accounting Firm in implementing the provisions of this Paragraph shall be borne by the Company.
- d. **Definitions.** The following terms shall have the following meanings for purposes of this Paragraph. (1) A "Payment" shall mean any payment or distribution in the nature of compensation (within the meaning of Section 280G(b)(2) of the Code) to or for Executive's benefit, whether paid or payable pursuant to this Agreement or otherwise; (2) "Agreement Payment" shall mean a Payment paid or payable pursuant to this Agreement (disregarding this Paragraph); (3) "Net After-Tax Receipt" shall mean the Present Value of a Payment net of all taxes imposed on Executive with respect thereto under Sections 1 and 4999 of the Code and under applicable state and local laws, determined by applying the highest marginal rate under Section 1 of the Code and under state and local laws which applied to Executive's taxable income for the immediately preceding taxable year, or such other rate(s) as Executive shall certify, in Executive's sole discretion, as likely to apply to Executive in the relevant tax year(s); (4) "Accounting Firm" shall mean the Company's regular auditor, unless Executive objects to the use of that auditor, in which event the auditor shall be an independent auditor or other independent professional services organization that is a certified public accounting firm recognized as an expert in determinations and calculations for purposes of Section 280G of the Code selected by the Company and reasonably acceptable to Executive, which auditor shall not, without Executive's consent, be a firm serving as accountant or auditor for the individual, entity or group effecting the Change in Control (the "Auditor"); (5) "Parachute Value" of a Payment shall mean the present value as of the date of the change of control for purposes of Section 280G of the Code of the portion of such Payment that constitutes a "parachute payment" under Section 280G(b)(2), as determined by the Accounting Firm for purposes of determining whether and to what extent the Excise Tax will apply to such Payment; and (6) "Reduced Amount" shall mean the amount of Agreement Payments that (x) has a Present Value that is less than the Present Value of all Agreement Payments and (y) results in aggregate Net After-Tax Receipts for all Payments that are greater than the Net After-Tax Receipts for all Payments that would result if the aggregate Present Value of Agreement Payments were any other amount that is less than the Present Value of all Agreement Payments.
7. **Mutual Arbitration.** Executive and the Company both knowingly and voluntarily agree to a pre-dispute arbitration clause so that should any controversy or dispute arise in connection with Executive's employment, the cessation of Executive's employment or the interpretation of this agreement, Executive and the Company agree to the arbitration of any and all such claims at a site in New York, before a neutral panel of the American Arbitration Association or JAMS, as dictated by the underlying facts and circumstances giving rise to Executive's claim(s). In the course of any arbitration pursuant to this agreement, Executive and the Company agree: (a) to request that a written award be issued by the panel, and (b) that each side is entitled to receive any and all relief they would be entitled to receive in a court proceeding, except that Executive agrees to waive any claim or right Executive may have for punitive or other indirect or consequential damages. Executive and the Company knowingly and voluntarily agree to enter into this arbitration clause and to waive any rights that might otherwise exist to request a jury trial or other court proceeding, except that Executive agrees that the Company may seek and obtain from a court any injunctive or equitable relief necessary to maintain (and/or to restore) the status quo or to prevent the possibility of irreversible or irreparable harm pending final resolution of mediation, arbitration or court proceedings, as applicable. The agreement between Executive and the Company to arbitrate disputes includes, but is not limited to, any claims of unlawful discrimination and/or unlawful harassment under Title VII of the Civil Rights Act of 1964, the Age Discrimination in Employment Act, the Americans with Disabilities Act, the New York Civil Rights Laws, the New York Executive Law, the New York City Human Rights Law, or any other federal, state or local law relating to discrimination in employment and any claims relating to wage and hour claims and any other statutory or common law claims. If Executive is deemed an associated person under FINRA's rules, this agreement does not prohibit or restrict Executive from filing an arbitration claim in the FINRA arbitration forum as specified in FINRA rules.
8. **Offset and Mitigation.** No payments due Executive hereunder shall be subject to any offset for obligations owed by Executive to the Company or its Affiliates (except as required by applicable law). In no event shall Executive be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to Executive under any of the provisions of this Agreement.
9. **Restrictive Covenants.** Executive acknowledges and agrees that Executive shall be bound by the restrictive covenants set forth in the Proprietary Invention Assignment, Noncompetition and Confidentiality Agreement; provided, however, that the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made: (A) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney; and (B) solely for the purpose of reporting or investigating a suspected violation of law; or is made in a complaint or other document that is filed under seal in a lawsuit or other proceeding. If the Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose the Company's trade secrets to the Executive's attorney and use the trade secret information in the court proceeding if the Executive: (1) files any document containing the trade secret under seal; and (2) does not disclose the trade secret, except pursuant to court order.
10. **Return of Property.** Executive acknowledges that all notes, memoranda, specifications, devices, formulas, records, files, lists, drawings, documents, models, equipment, property, computer, software or intellectual property relating to the businesses of the Company, in whatever form (including electronic), and all copies thereof, that are received or created by Executive while an employee of the Company or its subsidiaries or Affiliates are and shall remain the property of the Company, and Executive shall immediately return such property to the Company upon the termination of Executive's employment and, in any event, at the Company's request and subject to inspection in accordance

with applicable Company employee policies generally, except as may otherwise be agreed by Executive and the Company at the time of termination; provided, that Executive shall be permitted to retain a copy of his contacts/rolodex, including in electronic form, as well as copies of documents regarding the terms of his employment and his compensation and benefits.

11. **Remedies and Injunctive Relief.** Executive acknowledges that a violation by Executive of any of the covenants contained in Sections 9 or 10 would cause irreparable damage to the Company in an amount that would be material but not readily ascertainable, and that any remedy at law (including the payment of damages) would be inadequate. Accordingly, Executive agrees that, notwithstanding any provision of this Agreement to the contrary, the Company shall be entitled (without the necessity of showing economic loss or other actual damage) to injunctive relief (including temporary restraining orders, preliminary injunctions and/or permanent injunctions) in any court of competent jurisdiction for any actual or threatened breach of any of the covenants set forth in Sections 9 or 10 in addition to any other legal or equitable remedies it may have. The preceding sentence shall not be construed as a waiver of the rights that the Company may have for damages under this Agreement or otherwise, and all of the Company's rights shall be unrestricted.
12. **Representations of Executive; Advice of Counsel.**
 - a. Executive represents, warrants and covenants that as of the date hereof: (i) Executive has the full right, authority and capacity to enter into this Agreement and perform Executive's obligations hereunder, (ii) Executive is not bound by any agreement that conflicts with or prevents or restricts the full performance of Executive's duties and obligations to the Company hereunder during or after the Term, and (iii) the execution and delivery of this Agreement shall not result in any breach or violation of, or a default under, any existing obligation, commitment or agreement to which Executive is subject.
 - b. Prior to execution of this Agreement, Executive was advised by the Company of Executive's right to seek independent advice from an attorney of Executive's own selection regarding this Agreement. Executive acknowledges that Executive has entered into this Agreement knowingly and voluntarily and with full knowledge and understanding of the provisions of this Agreement after being given the opportunity to consult with counsel. Executive further represents that in entering into this Agreement, Executive is not relying on any statements or representations made by any of the Company's directors, officers, employees or agents which are not expressly set forth herein, and that Executive is relying only upon Executive's own judgment and any advice provided by Executive's attorney.
13. **Cooperation.** Executive agrees that, upon reasonable notice and without the necessity of the Company obtaining a subpoena or court order, Executive shall provide reasonable cooperation in connection with any suit, action or proceeding (or any appeal from any suit, action or proceeding), and any investigation and/or defense of any claims asserted against the Company or its Affiliates, which relates to events occurring during Executive's employment with the Company and its Affiliates as to which Executive may have relevant information (including but not limited to furnishing relevant information and materials to the Company or its designee and/or providing testimony at depositions and at trial); provided that with respect to such cooperation occurring following termination of employment, the Company shall reimburse Executive for expenses reasonably incurred in connection therewith, and further provided that any such cooperation occurring after the termination of Executive's employment shall be scheduled so as not to unreasonably interfere with Executive's business or personal affairs.
14. **Withholding.** The Company may deduct and withhold from any amounts payable under this Agreement such Federal, state, local, non-U.S. or other taxes as are required to be withheld pursuant to any applicable law or regulation.
15. **Assignment.**
 - a. This Agreement is personal to Executive and without the prior written consent of the Company shall not be assignable by Executive, except for the assignment by will or the laws of descent and distribution of any accrued pecuniary interest of Executive, and any assignment in violation of this Agreement shall be void. The Company may only assign this Agreement, and its rights and obligations hereunder, in accordance with the terms of Section 15(b).
 - b. This Agreement shall be binding on, and shall inure to the benefit of, the parties to it and their respective heirs, legal representatives, successors and permitted assigns (including, without limitation, successors by merger, consolidation, sale or similar transaction, and, in the event of Executive's death or Disability, Executive's estate, successors, heirs and assigns in the case of any payments due to Executive hereunder). The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to assume expressly and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. "Company" means the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid that assumes and agrees to perform this Agreement by operation of law or otherwise. Following a Change in Control, if the Company is not the ultimate parent corporation and the Company's common stock is not publicly traded, the "Board of Directors" or "Board" as used in this Agreement shall refer to the board of directors of the ultimate parent of the Company.
 - c. Executive acknowledges and agrees that all of Executive's covenants and obligations to the Company, as well as the rights of the Company hereunder, shall run in favor of and shall be enforceable by the Company and its successors and assigns.
16. **Governing Law; No Construction Against Drafter.** This Agreement shall be deemed to be made in the State of New York, and the validity, interpretation, construction, and performance of this Agreement in all respects shall be governed by the laws of the State of New York without regard to its principles of conflicts of law. No provision of this Agreement or any related document will be construed against or interpreted to the disadvantage of any party hereto by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or drafted such provision.
17. **Amendment; No Waiver; Severability.**
 - a. No provisions of this Agreement may be amended, modified, waived or discharged except by a written document signed by Executive and

By: _____
Name: Joseph Molluso

PROPRIETARY INVENTION ASSIGNMENT, NONCOMPETITION AND CONFIDENTIALITY AGREEMENT

In consideration of my employment (the "Engagement") by Virtu Financial Operating LLC a Delaware limited liability company (including any subsidiary, parent or affiliate thereof, the "Company"), as an employee, consultant, independent contractor or otherwise, and other good and valuable consideration, I, the undersigned, hereby enter into this Agreement (the "Agreement") as of the date set forth below my signature and hereby represent to and agree with the Company as follows:

1. Acknowledgments. I acknowledge that: (a) during the course of my Engagement by the Company, I am likely to learn of or have access to Confidential Information (as defined below), including Confidential Information entrusted to the Company by other individuals or entities, as well as other protectable business interests; (b) my Engagement by the Company creates a relationship of confidence between the Company and me; (c) the Company has devoted substantial resources to developing Confidential Information and such information is critical to the Company's competitive advantage and business; (d) the Company takes significant steps to preserve and to protect its Confidential Information; (e) any unauthorized use or disclosure or other improper use by me of Confidential Information could have severe and irreparable repercussions on the Company and/or its clients or other persons or entities; (f) the Company's protectable business interests are essential to its competitive advantage and will retain continuing vitality throughout and beyond my Engagement with the Company; (g) if I leave the Company and work for myself or with another person or entity in a manner that violates this Agreement, it would be highly likely, if not inevitable, that I would rely on the Company's Confidential Information in the course of my work, either consciously or subconsciously; and (h) any diminution of the Company's competitive advantage caused by my engaging in activities in violation of this Agreement could have severe and irreparable repercussions on the Company's business. Accordingly, I agree that this Agreement is necessary to safeguard the Company's protectable business interests.

2. Confidential Information.

(a) *Definition of Confidential Information*. For purposes of this Agreement, "Confidential Information" means trade secrets, know-how, other proprietary information or other information that (i) is not generally known to the public or in the industries in which the Company engages in its business activities, and (ii) relates to the activities, businesses, products or services, or proposed activities, businesses, products or services of the Company, or of any client of the Company. Examples of Confidential Information include, but are not limited to: (i) all ideas, inventions, know-how, technology, formulas, designs, software, programs, algorithms, trading strategies, trading models, products, systems, applications, processes, procedures, methods and improvements and enhancements, and all related documentation, whether or not patentable, copyrightable or entitled to other forms of protection, utilized by the Company or its affiliates or which are directly or indirectly, related to the business, products or services, or proposed business, products or services, of the Company or its affiliates; (ii) the name and/or address of any customer or vendor of the Company or its affiliates or any information concerning the transactions or relations of any customer or vendor of the Company or its affiliates with the Company or any of its stockholders, principals, directors, officers, employees or agents; (iii) any financial information relating to the Company and its business; (iv) any information which is generally regarded as confidential or proprietary in any line of business engaged in by the Company or its affiliates; (v) any business plans, budgets, advertising or marketing plans; (vi) any information contained in any of the written or oral policies and procedures or manuals of the Company or its affiliates; (vii) any information belonging to customers, vendors or affiliates of the Company or its affiliates or any other individual or entity which the Company or its affiliates has agreed to hold in confidence; and (viii) all written, graphic and other material (in any medium whether in writing, on magnetic tape or in electronic or other form) relating to any of the foregoing. I acknowledge and understand that information that is not novel or is not copyrighted, trademarked or patented, or eligible for such or any other protection, may nonetheless be Confidential Information.

(b) *Confidentiality*. Except as required by the performance of my duties as related to my Engagement by the Company, I shall not, either during or after the course of my Engagement by the Company, regardless of the reason for the expiration or termination of my Engagement, use or disclose any Confidential Information or convey any Confidential Information to persons outside of the Company, nor shall I cause or permit any individual controlled or directed by me to do any of the foregoing. I understand that my Engagement by the Company creates a relationship of confidence between the Company and me.

(c) *Exceptions*. Notwithstanding the foregoing, any restriction on my use, disclosure, or conveyance of Confidential Information shall not apply to (i) any Confidential Information that enters the public domain through no fault of mine or any person affiliated with me; (ii) any Confidential Information that I am required to disclose pursuant to an order of a court of competent jurisdiction or another government agency having appropriate authority, solely to the extent necessary to comply with such order, and provided that, in the event that I am ordered by a court or other government agency to disclose any Confidential Information, I shall, subject to applicable law, (1) promptly notify the Company of such order, (2) diligently contest such order at the sole expense of the Company as expenses occur, and (3) seek to obtain at the sole expense of the Company such confidential treatment as may be available under applicable laws for any information disclosed under such order; and (iii) any use or disclosure, during the course of my Engagement by the Company, of Confidential Information made necessary by the proper conduct of the business of the Company and consistent with the instructions of the Company. Nothing in any code, agreement, manual or in any other policies, procedures or agreements of the Company shall prohibit or restrict me or my counsel from providing information in connection with: (a) any disclosure of information required by law or legal process; (b) reporting possible violations of federal or state law or regulation to any governmental agency, commission or entity, including but not limited to, the Department of Justice, the Commodities Futures Trading Commission, the Securities and Exchange Commission, the Department of Labor, the Congress, any state Attorney General, self-regulatory organization and any agency Inspector General (collectively "Government Agencies") (c) filing a charge or complaint with Government Agencies; (d) making disclosures that are protected under the whistleblower provisions of federal or state law or regulation (collectively the "Whistleblower Statutes"); or (e) from initiating communications directly with, responding to any inquiry from, volunteering information to, testifying or otherwise participating in or assisting in any inquiry, investigation or proceeding brought by Government Agencies in connection with (a) through (d). I am not required to advise or seek permission from the Company before engaging in any activity set forth in (a) through (e). Further, the Company does not in any manner limit my right to receive an award from Government Agencies for information provided to Government Agencies or pursuant to the Whistleblower Statutes.

(d) *Return of Confidential Information.* All Confidential Information, however and wherever produced, including, without limitation, Confidential Information stored in computer databases or by other electronic means, shall be and remain the sole property of the Company. Upon the earlier of (i) the Company's request or (ii) the expiration or termination of my Engagement (regardless of the reason for such expiration or termination), I shall immediately deliver to the Company, or at the Company's request destroy, all documents and electronic storage devices (without retaining any electronic or physical copies, extracts, or other reproductions, summaries or analyses) that contain Confidential Information and that are in my possession, subject to my control, or held by me for others, including, without limitation, any and all records, drawings, notebooks, papers, electronic files, emails, and electronic data storage devices, whether prepared by me or others. In addition, I shall return to the Company any equipment, tools, or other devices owned by the Company and in my possession. At the Company's request, I shall promptly deliver to the Company a certificate to the effect that I have complied with the provisions of this paragraph (d).

(e) *Non-Disclosure of Prior Employer Confidential Information.* During the course of my Engagement, I will not knowingly improperly use or disclose any confidential or proprietary information or trade secrets of any former employer or other person or entity intended by such person or entity not to be disclosed to the Company. I will not bring onto the Company's premises any proprietary information belonging to any such former employer, person or entity unless consented to by such prior employer, person or entity. I represent that, to the best of my knowledge, my performance of all of the terms of this Agreement does not and will not breach any agreement to keep in confidence proprietary information I have acquired prior to my employment by the Company. Further, I represent that, to the best of my knowledge, my performance of my duties with the Company will not breach any contractual or other legal obligation owed to any third person.

a. *Notice of Immunity under the Defend Trade Secrets Act.* I acknowledge and agree that the Company has provided me with written notice below that the Defend Trade Secrets Act, 18 U.S.C. § 1833(b), provides an immunity for the disclosure of a trade secret to report a suspected violation of law and/or in an anti-retaliation lawsuit, as follows:

(i) IMMUNITY. An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that:

(A) is made

(1) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and

(2) solely for the purpose of reporting or investigating a suspected violation of law; or

(B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

(ii) USE OF TRADE SECRET INFORMATION IN ANTI-RETALIATION LAWSUIT. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual:

(A) files any document containing the trade secret under seal; and

(B) does not disclose the trade secret, except pursuant to court order.

3. Noncompetition and Nonsolicitation.

(a) During the term of my Engagement with the Company, and for the thirty-six (36) months thereafter (the "Restricted Period"), I will not be employed by, act on behalf of any other person or entity or group within an entity or its affiliate (either as an officer, director, consultant or in any other capacity) or own any interest in any person or entity or group within an entity or its affiliate that (i) is during the term of my Engagement, a past, current or prospective client of or investor in the Company, (ii) acts or attempts to act as a market maker or engages in proprietary trading of financial products or instruments, or buying, selling, trading or engaging in any other similar transactions to facilitate a customer or client order, (iii) is engaged in any business or activity that is similar to or directly competitive with that of the Company (including, without limitation, areas in which the Company is or has conducted business and areas in which it is contemplating doing business) unless such employment or other arrangement has been approved by the Company in advance in writing. During the Restricted Period, I will not solicit, attempt to solicit, participate in any solicitation, or otherwise advise, induce or encourage any current or prospective employee, consultant, independent contractor, agent, client or representative of, or any vendor or supplier to, the Company to terminate his, her or its relationship with the Company or to enter into a business or employment relationship of any kind with any other individual or entity. Additionally, during the Restricted Period, I will not solicit or accept funds from any actual or prospective client, shareholder or investor of the Company, nor will I encourage any such actual or prospective client, shareholder or investor to decline, terminate or reduce its current or prospective business relationship with the Company.

(b) I acknowledge and agree that the provisions of this Section 2 (the "Restrictive Covenants") are reasonable and valid in geographical and temporal scope and in all other respects, and are necessary in order to secure for the Company the benefits for which it has contracted (specifically, the world-wide scope is necessary because trading markets operate without regard to geographic boundaries). In particular, I understand that the provisions of this Section 2 may limit my ability to earn a livelihood in a business similar to the business of the Company but nevertheless agree and hereby acknowledge that (i) such provisions do not impose a greater restraint than is necessary to protect the goodwill or other business interests of the Company, (ii) such provisions contain reasonable limitations as to time and scope of activity to be restrained, (iii) such provisions are not harmful to the general public, (iv) such provisions are not unduly burdensome to me, and (v) the consideration provided hereunder is sufficient to compensate me for the restrictions contained in such provisions. In consideration thereof and in light of my education, skills and abilities, I agree that I will not assert in any forum that such provisions prevent me from earning a living or otherwise are void or unenforceable or should be held void or unenforceable; provided, however, that no provision of this Section 2 shall prohibit me from merely owning up to 1% of outstanding capital stock of any corporation that is actively traded in any national securities market. However, if any court or authority determines that any of the Restrictive Covenants, or any part thereof, is invalid or unenforceable, I agree that the remainder of the Restrictive Covenants shall not thereby be affected and shall be given full effect without regard to the invalid portions, and that if any court determines that any of the Restrictive Covenants, or any part thereof, is unenforceable because of the duration or geographical scope of such provision, such court shall have the power to reduce the duration or scope of such provision, and, in its reduced form, such provision shall then be enforceable against me. I also acknowledge that the Company would not have entered into an at will employment relationship with me unless I agree to such restrictions and limitations.

4. No Disparaging or Defamatory Statements. I shall not, during either the course of my Engagement by the Company or the Restricted Period, make, publish, or otherwise transmit any disparaging or defamatory statements, whether written or oral, or give interviews, provide comment, information or opinions, positive or negative, to any publicly available media resource or employee, contractor or representative, regardless of the format and intent of that media.

5. Ownership of Work Product; Inventions.

(a) I acknowledge and agree that the results of all work and tasks performed by me for or on behalf of the Company, or in connection therewith, including without limitation all source code, software, algorithms, strategies, methods, processes, materials, designs, plans and other works (the "Works") and Inventions, as defined below, are owned by the Company.

(b) I acknowledge and agree that, to the fullest extent allowed by law, all of the Works are "works made for hire", as that phrase is defined in the U.S. Copyright Act of 1976, as amended (17 U.S.C. § 101) (the "Act"), in that either (i) such Works are and will be prepared within the scope of my employment whether or not such Works are prepared during normal working hours or on the premises of the Company; or (ii) such Works have been and will be specifically ordered or commissioned for use as set forth in the Act. The Company shall therefore be deemed to be the sole author and owner of any and all right, title, and interest therein, including, without limitation, intellectual property rights.

(c) To the extent that any such Works are not owned by the Company or do not qualify for any reason as works made for hire, and to the extent that I may have or acquire any right, title, or interest in such Works, I hereby assign to the Company any and all such right, title, and interest in and to the Works.

(d) I agree to make full and prompt disclosure to the Company of any inventions or processes (as such terms are defined in 35 U.S.C. § 100) made or conceived by me alone or with others during the course of my Engagement by the Company (any such inventions or processes hereinafter referred to as the "Inventions"), whether or not such Inventions are patentable or protected as trade secrets and whether or not such Inventions are made or conceived during normal working hours or on the premises of the Company. Notwithstanding such full and prompt disclosure, my agreement to assign, as set forth in paragraph (c) above, shall not apply to any Inventions that were conceived and developed without the use of the Company's equipment, supplies, facilities, or Confidential Information and were developed entirely on my own time ("Personal Inventions"), unless (i) the Inventions relate to the business of the Company or to the Company's actual or anticipated research or development; or (ii) the Inventions result, in whole or in part, in any way, from any work performed by me for the Company.

(e) I agree that I will not incorporate any protectable materials, works or inventions created or developed prior to my employment or engagement by Company ("Prior Work or Invention"), or which I know or have reason to know are owned by a third party ("Third Party Work or Invention") into any Works or Inventions I create or develop for the Company without the Company's prior written consent. Notwithstanding, if, in the course of my employment with the Company, I incorporate a Prior Works or Invention, I agree that the Company shall have, and I hereby grant to the Company, a perpetual, worldwide, irrevocable, royalty-free, fully paid-up, license to use for any and all purposes and in any manner any such Prior Works or Inventions as incorporated into a Work or Invention owned by the Company hereunder.

(f) Any assignment of any Works under this Agreement includes all rights of paternity, integrity, disclosure and withdrawal and any other rights that may be known as or referred to as "moral rights" (collectively "Moral Rights"). To the extent such Moral Rights cannot be assigned under applicable law and to the extent the following is allowed by the laws in the various countries where such Moral Rights exist, I hereby waive such Moral Rights and consent to any action of the Company that would violate such Moral Rights in the absence of such consent, and acknowledge that Company may edit or alter the Works in any manner. I will confirm any such waivers and consents from time to time as requested by the Company.

(g) I agree to execute and deliver such assignments, copyright applications, patents, patent applications, licenses, and other documents as the Company may direct and to cooperate fully with the Company, both during and after the course of my Engagement by the Company, to enable the Company to secure and maintain in any and all countries the rights described and granted in paragraphs (a) through (f) above with respect to Works and Inventions. In the event the Company is unable, after reasonable effort, to obtain my signature on any such documents, I hereby irrevocably designate and appoint the Company through a duly authorized officer as my agent and attorney-in-fact, to act for and on my behalf solely to execute and file any such application or other document and do all other lawfully permitted acts to further the prosecution and issuance of patents, copyrights or other intellectual property protected related to Works and Inventions with the same legal force and effect as if I had executed them. I will assist the Company in every reasonable way, at Company's expense, to obtain, and from time to time enforce, Company's rights relating to Works and Inventions in any and all countries. My obligation to assist the Company with respect to right relating to such Company Works and Inventions shall continue beyond the termination of my employment, but the Company shall compensate me at a reasonable rate after my employment for the time actually spent by me at the Company's request on such assistance. I will assist the Company in every reasonable way, at Company's expense, to obtain, and from time to time enforce, Company's rights relating to Works and Inventions in any and all countries. My obligation to assist the Company with respect to right relating to such Company Works and Inventions shall continue beyond the termination of my employment, but the Company shall compensate me at a reasonable rate after my employment for the time actually spent by me at the Company's request on such assistance.

(h) I understand and agree that the Company shall determine, in its sole and absolute discretion, whether an application for patent, copyright registration, or any other intellectual property right shall be filed on any Works or Inventions assigned to the Company under this Agreement and whether such an application shall be prosecuted or abandoned prior to issuance or registration.

6. Miscellaneous

(a) No Conflict. I represent and warrant that I am not now and will not as of the date upon which my Engagement hereunder commences be under any obligation to any prior employer that is inconsistent with the terms of this Agreement, or with being engaged by the Company, and that, to the best of my knowledge, I have no present obligation to assign to any former employer or to any other non-Company person or entity, any Work or Invention covered by this Agreement. I have informed the Company if I have any obligations of confidentiality to any third party, and have disclosed the scope of such confidentiality obligations to the maximum extent necessary to provide the Company with an understanding of the limitations of such obligations without violating such obligations.

(b) Survival; Binding Effect; Third Party Beneficiary. I understand and acknowledge that my obligations under this Agreement shall survive the termination of my Engagement regardless of the manner of such termination and shall be binding upon my heirs, executors, administrators, legal representatives, and assigns. I also understand and acknowledge that this Agreement shall be binding upon and shall inure to

the benefit of the subsidiaries, affiliates, successors, and assigns of the Company, including any person(s) or entity(ies) Person that acquires all or substantially all of the assets of the Company, whether by merger, consolidation, or otherwise. This Agreement does not create, and shall not be interpreted or construed to create, any rights enforceable by any person not a party to this Agreement.

(c) Injunctive Relief. I acknowledge and agree that money damages for the breach or threatened breach of my obligations under this Agreement would be inadequate to properly compensate for losses resulting from my breach. Accordingly, I agree that in the event of a breach or threatened breach by me of any said undertakings, the Company will be entitled to temporary and permanent injunctive relief in any court of competent jurisdiction (without the need to post bond and without proving that damages would be inadequate). The rights and remedies provided for or in this Agreement are cumulative and shall be in addition to rights and remedies otherwise available to the parties hereunder or under any other agreement or applicable law.

(d) Governing Law. The validity and interpretation of this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of New York applicable to agreements made and to be performed entirely within such state (excluding the conflicts of laws provisions thereof). Any claim or action relating to or arising out of this Agreement or the subject matter hereof shall be subject to the arbitration provisions set forth in the offer letter, or in the event that there are no such provisions or they are not enforceable, then I expressly consent that any action, suit, or proceeding relating to or arising out of this Agreement or the subject matter hereof may be brought exclusively in any federal or state court sitting in the State of New York. I hereby waive and agree not to assert in any such action, suit, or proceeding, in each case to the fullest extent permitted by applicable law, any claim that (i) I am not personally subject to the jurisdiction of any such court; (ii) any such action, suit, or proceeding is brought in an inconvenient forum (*forum non conveniens*); or (iii) the venue of any such action, suit, or proceeding is improper. **THE PARTIES EXPRESSLY AND KNOWINGLY WAIVE ANY RIGHT TO A JURY TRIAL IN THE EVENT ANY ACTION ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT IS LITIGATED OR HEARD IN ANY COURT.**

(e) Severability. If any provision, or portion of any provision, of this Agreement shall be held or deemed to be invalid, inoperative, or unenforceable for any reason, the remaining provisions of this Agreement and the remaining portion of any provision held invalid, inoperative, or unenforceable in part shall continue in full force and effect. In addition, if any provision is determined to be invalid or unenforceable due to its duration and/or scope, the duration and/or scope of such provision, as the case may be, shall be reduced, such reduction shall be to the smallest extent necessary to comply with applicable law, and such provision shall be enforceable, in its reduced form, to the fullest extent permitted by applicable law.

(f) No Waiver; Amendments. No delay or omission by either party in exercising any right under this Agreement shall operate as a waiver of that or any other right. This Agreement may not be altered, modified, or amended, in whole or in part, except by an agreement in writing signed by a duly authorized officer of the Company.

(g) Notice. For purposes of this Agreement, all notices and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given: (i) when delivered personally; (ii) on the business day following the day such notice or other communication is sent by recognized overnight courier; (iii) when sent by facsimile transmission; or (iv) if sent by certified or registered mail, postage prepaid, on the date of actual receipt thereof. Such communications shall be addressed to the respective addresses set forth on the first page of the letter from the Company offering employment (with any such communication to the Company directed to the attention of the General Counsel), or to such other address as either party may have furnished to the other in writing in accordance herewith, except that notice of change of address shall be effective only on the date of actual receipt thereof.

(h) Employment; Engagement. I understand and agree that this Agreement does not constitute a contract of employment, retention or engagement or obligate the Company to employ, retain or engage me for any specified period of time, nor shall this Agreement be interpreted in any way to interfere with any right the Company has, or any right I have, to terminate my Engagement at any time.

(i) Counterparts; Headings. This Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument. Headings and subheadings are for convenience only and shall in no way affect the interpretation of any provision of this Agreement or of the Agreement itself.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, each party has caused this Agreement to be executed on its behalf by an officer thereunto duly authorized, all as of the date set forth above.

By: _____
Name: Joseph Molluso

AGREED TO AND ACCEPTED:

VIRTU FINANCIAL OPERATING LLC

By: _____
Name: Douglas A. Cifu
Title: Chief Executive Officer
Date:

CEO CERTIFICATION
PURSUANT TO SECTION 302 OF THE
SARBANES — OXLEY ACT OF 2002

I, Douglas A. Cifu, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ending March 31, 2020 of Virtu Financial, Inc. (the “registrant”) as filed with the Securities and Exchange Commission on the date hereof;
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 (the registrant’s fourth fiscal quarter in the case of an annual report) 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: May 11, 2020 By: /s/ Douglas A. Cifu

Douglas A. Cifu
Chief Executive Officer

CFO CERTIFICATION
PURSUANT TO SECTION 302 OF THE
SARBANES — OXLEY ACT OF 2002

I, Alex Ioffe, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the period ending March 31, 2020 of Virtu Financial, Inc. (the “registrant”) as filed with the Securities and Exchange Commission on the date hereof;
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 (the registrant’s fourth fiscal quarter in the case of an annual report) 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: May 11, 2020 By: /s/ Alex Ioffe

Alex Ioffe

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 on Form 10-Q of Virtu Financial, Inc. (the "Company") for the period ended March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Douglas A. Cifu, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in my capacity as an officer of the Company that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, 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.

/s/ Douglas A. Cifu

Douglas A. Cifu

Chief Executive Officer

Date: May 11, 2020

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 on Form 10-Q of Virtu Financial, Inc. (the "Company") for the period ended March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Alex Ioffe, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, in my capacity as an officer of the Company that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, 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.

/s/ Alex Ioffe

Alex Ioffe

Chief Financial Officer

Date: May 11, 2020