

**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 **June 30, 2024**

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 **001-10932**

WisdomTree, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

250 West 34th Street
3rd Floor
New York, New York
(Address of principal executive offices)

13-3487784
(IRS Employer
Identification No.)

10119
(Zip Code)

212-801-2080
(Registrant's telephone number, including area code)

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

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, \$0.01 par value	WT	The New York Stock Exchange
Preferred Stock Purchase Rights		The New York Stock Exchange

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, as amended (the "Exchange Act") 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 emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

As of July 30, 2024, there were 151,855,747 shares of the registrant's Common Stock, \$0.01 par value per share, outstanding.

WISDOMTREE, INC.

Form 10-Q

For the Quarterly Period Ended June 30, 2024

TABLE OF CONTENTS

PART I: FINANCIAL INFORMATION	4
ITEM 1. FINANCIAL STATEMENTS	4
ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS	35
ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK	54
ITEM 4. CONTROLS AND PROCEDURES	55
PART II: OTHER INFORMATION	55
ITEM 1. LEGAL PROCEEDINGS	55
ITEM 1A. RISK FACTORS	55
ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS	55
ITEM 3. DEFAULTS UPON SENIOR SECURITIES	56
ITEM 4. MINE SAFETY DISCLOSURES	56
ITEM 5. OTHER INFORMATION	56
ITEM 6. EXHIBITS	57

Unless otherwise indicated, references to "the Company," "we," "us," "our" and "WisdomTree" mean WisdomTree, Inc. and its subsidiaries.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, or Report, contains forward-looking statements that are based on our management's beliefs and assumptions and on information currently available to our management. Although we believe that the expectations reflected in these forward-looking statements are reasonable, these statements relate to future events or our future financial performance, and involve known and unknown risks, uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

In some cases, you can identify forward-looking statements by terminology such as "may," "will," "should," "expects," "intends," "plans," "anticipates," "believes," "estimates," "predicts," "potential," "continue" or the negative of these terms or other comparable terminology. These statements are only predictions. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are, in some cases, beyond our control and which could materially affect our results. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed in the section entitled "Risk Factors" included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and our quarterly report on Form 10-Q for the quarter ended March 31, 2024. If one or more of these or other risks or uncertainties occur, or if our underlying assumptions prove to be incorrect, actual events or results may vary significantly from those implied or projected by the forward-looking statements. No forward-looking statement is a guarantee of future performance. You should read this Report and the documents that we reference in this Report and have filed with the Securities and Exchange Commission, or the SEC, as exhibits to this Report, completely and with the understanding that our actual future results may be materially different from any future results expressed or implied by these forward-looking statements.

In particular, forward-looking statements in this Report may include statements about:

- anticipated trends, conditions and investor sentiment in the global markets and exchange-traded products, or ETPs;
- anticipated levels of inflows into and outflows out of our ETPs;
- our ability to deliver favorable rates of return to investors;
- competition in our business;
- whether we will experience future growth;
- our ability to develop new products and services and their potential for success;
- our ability to maintain current vendors or find new vendors to provide services to us at favorable costs;
- our ability to successfully implement our strategy relating to digital assets and blockchain-enabled financial services, including WisdomTree Prime, and achieve its objectives;
- our ability to successfully operate and expand our business in non-U.S. markets;
- the effect of laws and regulations that apply to our business; and
- actions of activist stockholders.

The forward-looking statements in this Report represent our views as of the date of this Report. We anticipate that subsequent events and developments may cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we have no current intention of doing so except to the extent required by applicable law. Therefore, these forward-looking statements do not represent our views as of any date other than the date of this Report.

PART I: FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

WisdomTree, Inc. and Subsidiaries

Consolidated Balance Sheets
(In Thousands, Except Per Share Amounts)

	June 30, 2024	December 31, 2023
	(unaudited)	
Assets		
Current assets:		
Cash, cash equivalents and restricted cash (including \$5,125 and \$5,007 invested in the WisdomTree Government Money Market Digital Fund at June 30, 2024 and December 31, 2023, respectively)	\$ 132,459	\$ 129,305
Financial instruments owned, at fair value (including \$59,889 and \$47,559 invested in WisdomTree products at June 30, 2024 and December 31, 2023, respectively) (Note 5)	69,783	58,722
Accounts receivable (including \$32,890 and \$28,511 due from related parties at June 30, 2024 and December 31, 2023, respectively)	42,664	35,473
Prepaid expenses	8,595	5,258
Other current assets	1,199	1,036
Total current assets	254,700	229,794
Fixed assets, net	413	427
Securities held-to-maturity	218	230
Deferred tax assets, net (Note 21)	6,786	11,057
Investments (Note 7)	8,288	9,684
Right of use assets—operating leases (Note 13)	847	563
Goodwill (Note 23)	86,841	86,841
Intangible assets, net (Note 23)	605,580	605,082
Other noncurrent assets	457	459
Total assets	\$ 964,130	\$ 944,137
Liabilities and stockholders' equity		
Liabilities		
Current liabilities:		
Fund management and administration payable	\$ 26,551	\$ 30,085
Compensation and benefits payable	20,315	38,111
Payable to Gold Bullion Holdings (Jersey) Limited ("GBH") (Note 12)	14,804	14,804
Income taxes payable	1,830	3,866
Operating lease liabilities (Note 13)	847	578
Accounts payable and other liabilities	20,341	15,772
Total current liabilities	84,688	103,216
Convertible notes (Note 10)	275,638	274,888
Payable to GBH (Note 12)	25,671	24,328
Total liabilities	385,997	402,432
Preferred stock—Series A Non-Voting Convertible, par value \$0.01; 14,750 shares authorized, issued and outstanding; redemption value of \$144,220 and \$96,869 at June 30, 2024 and December 31, 2023, respectively) (Note 11)	132,569	132,569
<i>Contingencies (Note 14)</i>		
Stockholders' equity		
Preferred stock, par value \$0.01; 2,000 shares authorized	—	—
Common stock, par value \$0.01; 400,000 shares authorized; issued and outstanding: 151,857 and 150,330 at June 30, 2024 and December 31, 2023, respectively	1,519	1,503
Additional paid-in capital	315,359	312,440
Accumulated other comprehensive loss	(931)	(548)
Retained earnings	129,617	95,741
Total stockholders' equity	445,564	409,136
Total liabilities and stockholders' equity	\$ 964,130	\$ 944,137

The accompanying notes are an integral part of these consolidated financial statements.

WisdomTree, Inc. and Subsidiaries

Consolidated Statements of Operations
(In Thousands, Except Per Share Amounts)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating Revenues:				
Advisory fees	\$ 98,938	\$ 82,004	\$ 191,439	\$ 159,641
Other revenues	8,096	3,720	12,433	8,127
Total revenues	<u>107,034</u>	<u>85,724</u>	<u>203,872</u>	<u>167,768</u>
Operating Expenses:				
Compensation and benefits	30,790	26,319	61,844	53,717
Fund management and administration	20,139	17,727	40,101	34,880
Marketing and advertising	5,110	4,465	9,518	8,472
Sales and business development	3,640	3,326	7,251	6,320
Contractual gold payments (Note 9)	—	1,583	—	6,069
Professional fees	6,594	8,334	10,224	12,049
Occupancy, communications and equipment	1,314	1,172	2,524	2,273
Depreciation and amortization	418	121	801	230
Third-party distribution fees	2,687	1,881	4,994	4,134
Other	2,831	2,615	5,154	4,872
Total operating expenses	<u>73,523</u>	<u>67,543</u>	<u>142,411</u>	<u>133,016</u>
Operating income	33,511	18,181	61,461	34,752
Other Income/(Expenses):				
Interest expense	(4,140)	(4,021)	(8,268)	(8,023)
Gain on revaluation/termination of deferred consideration—gold payments (Note 9)	—	41,361	—	61,953
Interest income	1,438	1,000	2,836	2,083
Impairments (Note 25)	—	—	—	(4,900)
Loss on extinguishment of convertible notes (Note 10)	—	—	—	(9,721)
Other losses and gains, net	(1,283)	1,286	1,309	(721)
Income before income taxes	<u>29,526</u>	<u>57,807</u>	<u>57,338</u>	<u>75,423</u>
Income tax expense	<u>7,767</u>	<u>3,555</u>	<u>13,468</u>	<u>4,938</u>
Net income	<u>\$ 21,759</u>	<u>\$ 54,252</u>	<u>\$ 43,870</u>	<u>\$ 70,485</u>
Earnings per share—basic	<u>\$ 0.13</u>	<u>\$ 0.32</u>	<u>\$ 0.27</u>	<u>\$ 0.43</u>
Earnings per share—diluted	<u>\$ 0.13</u>	<u>\$ 0.32</u>	<u>\$ 0.26</u>	<u>\$ 0.42</u>
Weighted-average common shares—basic	<u>146,896</u>	<u>144,351</u>	<u>146,680</u>	<u>144,108</u>
Weighted-average common shares—diluted	<u>166,359</u>	<u>170,672</u>	<u>165,872</u>	<u>165,468</u>
Cash dividends declared per common share	<u>\$ 0.03</u>	<u>\$ 0.03</u>	<u>\$ 0.06</u>	<u>\$ 0.06</u>

The accompanying notes are an integral part of these consolidated financial statements.

WisdomTree, Inc. and SubsidiariesConsolidated Statements of Comprehensive Income
(In Thousands)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	\$ 21,759	\$ 54,252	\$ 43,870	\$ 70,485
Other comprehensive (loss)/income				
Foreign currency translation adjustment, net of income taxes	(24)	261	(383)	727
Other comprehensive (loss)/income	(24)	261	(383)	727
Comprehensive income	<u>\$ 21,735</u>	<u>\$ 54,513</u>	<u>\$ 43,487</u>	<u>\$ 71,212</u>

The accompanying notes are an integral part of these consolidated financial statements.

WisdomTree, Inc. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity
(In Thousands)
(Unaudited)

	Three Months Ended June 30, 2024							
	Series C Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares Issued	Par Value	Shares Issued	Par Value				
Balance—April 1, 2024	—	\$ —	151,819	\$ 1,518	\$ 309,768	\$ (907)	\$ 112,858	\$ 423,237
Restricted stock issued and vesting of restricted stock units, net	—	—	38	1	(1)	—	—	—
Stock-based compensation	—	—	—	—	5,592	—	—	5,592
Other comprehensive loss	—	—	—	—	—	(24)	—	(24)
Dividends	—	—	—	—	—	—	(5,000)	(5,000)
Net income	—	—	—	—	—	—	21,759	21,759
Balance—June 30, 2024	—	\$ —	151,857	\$ 1,519	\$ 315,359	\$ (931)	\$ 129,617	\$ 445,564

	Three Months Ended June 30, 2023							
	Series C Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares Issued	Par Value	Shares Issued	Par Value				
Balance—April 1, 2023	—	\$ —	149,291	\$ 1,493	\$ 292,971	\$ (954)	\$ 25,028	\$ 318,538
Shares issued in connection with termination of deferred consideration —gold payments obligation, net of issuance costs (Note 9)	13	—	—	—	86,801	—	—	86,801
Restricted stock issued and vesting of restricted stock units, net	—	—	41	—	—	—	—	—
Shares issued in connection with convertible notes that matured on June 15, 2023 (Note 10)	—	—	1,037	10	35	—	—	45
Shares repurchased	—	—	(26)	—	(156)	—	—	(156)
Stock-based compensation	—	—	—	—	3,970	—	—	3,970
Other comprehensive income	—	—	—	—	—	261	—	261
Dividends	—	—	—	—	—	—	(4,924)	(4,924)
Net income	—	—	—	—	—	—	54,252	54,252
Balance—June 30, 2023	13	\$ —	150,343	\$ 1,503	\$ 383,621	\$ (693)	\$ 74,356	\$ 458,787

The accompanying notes are an integral part of these consolidated financial statements.

WisdomTree, Inc. and Subsidiaries

Consolidated Statements of Changes in Stockholders' Equity
(In Thousands)
(Unaudited)

	Six Months Ended June 30, 2024							
	Series C Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares Issued	Par Value	Shares Issued	Par Value				
Balance—January 1, 2024	—	\$ —	150,330	\$ 1,503	\$ 312,440	\$ (548)	\$ 95,741	\$ 409,136
Restricted stock issued and vesting of restricted stock units, net	—	—	2,623	27	(27)	—	—	—
Shares repurchased	—	—	(1,096)	(11)	(7,809)	—	—	(7,820)
Stock-based compensation	—	—	—	—	10,755	—	—	10,755
Other comprehensive loss	—	—	—	—	—	(383)	—	(383)
Dividends	—	—	—	—	—	—	(9,994)	(9,994)
Net income	—	—	—	—	—	—	43,870	43,870
Balance—June 30, 2024	—	\$ —	151,857	\$ 1,519	\$ 315,359	\$ (931)	\$ 129,617	\$ 445,564

	Six Months Ended June 30, 2023							
	Series C Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Total
	Shares Issued	Par Value	Shares Issued	Par Value				
Balance—January 1, 2023	—	\$ —	146,517	\$ 1,465	\$ 291,847	\$ (1,420)	\$ 13,719	\$ 305,611
Shares issued in connection with termination of deferred consideration —gold payments obligation, net of issuance costs (Note 9)	13	—	—	—	86,801	—	—	86,801
Restricted stock issued and vesting of restricted stock units, net	—	—	3,420	34	(34)	—	—	—
Shares issued in connection with convertible notes that matured on June 15, 2023 (Note 10)	—	—	1,037	10	35	—	—	45
Shares repurchased	—	—	(631)	(6)	(3,534)	—	—	(3,540)
Stock-based compensation	—	—	—	—	8,506	—	—	8,506
Other comprehensive income	—	—	—	—	—	727	—	727
Dividends	—	—	—	—	—	—	(9,848)	(9,848)
Net income	—	—	—	—	—	—	70,485	70,485
Balance—June 30, 2023	13	\$ —	150,343	\$ 1,503	\$ 383,621	\$ (693)	\$ 74,356	\$ 458,787

The accompanying notes are an integral part of these consolidated financial statements.

WisdomTree, Inc. and Subsidiaries

 Consolidated Statements of Cash Flows
 (In Thousands)
 (Unaudited)

	Six Months Ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net income	\$ 43,870	\$ 70,485
Adjustments to reconcile net income to net cash provided by operating activities:		
Advisory and license fees paid in gold, other precious metals and cryptocurrency	(25,365)	(25,692)
Stock-based compensation	10,755	8,506
Deferred income taxes	4,326	2,964
Gains on financial instruments owned, at fair value	(1,772)	(947)
Imputed interest on payable to GBH	1,342	—
Losses on investments	1,195	819
Depreciation and amortization	801	230
Amortization of issuance costs—convertible notes	750	1,069
Amortization of right of use asset	647	640
Gain on revaluation/termination of deferred consideration—gold payments	—	(61,953)
Loss on extinguishment of convertible notes	—	9,721
Impairments	—	4,900
Contractual gold payments	—	6,069
Other	—	(946)
Changes in operating assets and liabilities:		
Accounts receivable	(7,132)	(5,254)
Prepaid expenses	(3,353)	(3,425)
Gold and other precious metals	24,972	18,441
Other assets	(118)	347
Fund management and administration payable	(3,430)	6,419
Compensation and benefits payable	(17,657)	(18,941)
Income taxes payable	(2,028)	(2,523)
Operating lease liabilities	(662)	(652)
Accounts payable and other liabilities	4,031	9,752
Net cash provided by operating activities	31,172	20,029
Cash flows from investing activities:		
Purchase of financial instruments owned, at fair value	(14,193)	(40,532)
Purchase of investments	—	(10,000)
Cash paid—software development	(1,184)	—
Purchase of fixed assets	(102)	(58)
Proceeds from the sale of financial instruments owned, at fair value	5,303	102,020
Proceeds from the exit from investment in Securrency, Inc.	465	—
Proceeds from held-to-maturity securities maturing or called prior to maturity	12	14
Receipt of contingent consideration—Sale of Canadian ETF business	—	1,477
Acquisition of Securrency Transfers, Inc. (net of cash acquired)	—	(985)
Net cash (used in)/provided by investing activities	(9,699)	51,936
Cash flows from financing activities:		
Dividends paid	(9,873)	(9,647)
Shares repurchased	(7,820)	(3,540)
Repurchase and maturity of convertible notes (Note 10)	—	(184,272)
Proceeds from the issuance of convertible notes (Note 10)	—	130,000
Termination of deferred consideration—gold payments	—	(50,005)
Issuance costs—convertible notes	—	(3,548)
Issuance costs—Series C Preferred Stock	—	(97)
Net cash used in financing activities	(17,693)	(121,109)
(Decrease)/increase in cash flow due to changes in foreign exchange rate	(626)	778
Net increase/(decrease) in cash, cash equivalents and restricted cash	3,154	(48,366)
Cash, cash equivalents and restricted cash—beginning of year	129,305	132,101
Cash, cash equivalents and restricted cash—end of period	\$ 132,459	\$ 83,735
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	\$ 11,138	\$ 5,900
Cash paid for interest	\$ 6,175	\$ 4,514

WisdomTree, Inc. and Subsidiaries

Consolidated Statements of Cash Flows (Continued)

(In Thousands)

(Unaudited)

NON-CASH INVESTING AND FINANCING ACTIVITIES

On May 10, 2023, the Company issued 13.087 shares of Series C Non-Voting Convertible Preferred Stock (valued at \$86,898) in connection with the termination of its deferred consideration—gold payments obligation. See Note 9 for additional information.

On June 15, 2023, the Company issued 1,037 shares of common stock (as the conversion option was in the money) in connection with the maturity of \$60,000 aggregate principal amount of 4.25% Convertible Senior Notes.

The accompanying notes are an integral part of these consolidated financial statements.

WisdomTree, Inc. and Subsidiaries

Notes to Consolidated Financial Statements
(In Thousands, Except Share and Per Share Amounts)

1. Organization and Description of Business

WisdomTree, Inc., through its global subsidiaries (collectively, “WisdomTree” or the “Company”), is a global financial innovator, offering a well-diversified suite of exchange-traded products (“ETPs”), models, solutions and products leveraging blockchain technology. Building on its heritage of innovation, the Company is developing and has launched next-generation digital products, services and structures, including digital or blockchain-enabled mutual funds (“Digital Funds”) and tokenized assets, as well as its blockchain-native digital wallet, WisdomTree Prime. The Company has the following wholly-owned operating subsidiaries:

- *WisdomTree Asset Management, Inc.* is a New York based investment adviser registered with the SEC, providing investment advisory and other management services to the WisdomTree Trust (“WTT”) and WisdomTree exchange-traded funds (“ETFs”). The WisdomTree ETFs are issued in the U.S. by WTT. WTT is a non-consolidated Delaware statutory trust registered with the SEC as an open-end management investment company. The Company has licensed to WTT the use of certain of its own indexes on an exclusive basis for the WisdomTree ETFs in the U.S.
- *WisdomTree Management Jersey Limited* (“ManJer”) is a Jersey based management company providing management services to seven issuers (the “ManJer Issuers”) in respect of the ETPs issued and listed by the ManJer Issuers covering commodity, currency, cryptocurrency and leveraged-and-inverse strategies.
- *WisdomTree Multi Asset Management Limited* (“WTMAML”) is a Jersey based management company providing management services to WisdomTree Multi Asset Issuer PLC (“WMAI”) in respect of the ETPs issued by WMAI. WMAI is a non-consolidated public limited company domiciled in Ireland.
- *WisdomTree Management Limited* (“WML”) is an Ireland based management company providing management services to WisdomTree Issuer ICAV (“WTICAV”) in respect of the WisdomTree UCITS ETFs issued by WTICAV. WTICAV is a non-consolidated public limited company domiciled in Ireland.
- *WisdomTree UK Limited* (“WTUK”) is a U.K. based company registered with the Financial Conduct Authority currently providing distribution and support services to ManJer, WTMAML and WML.
- *WisdomTree Europe Limited* is a U.K. based company which is the legacy distributor of the WMAI ETPs and WisdomTree UCITS ETFs. These services are now provided directly by WTUK. WisdomTree Europe Limited is no longer regulated and does not provide any regulated services.
- *WisdomTree Ireland Limited* is an Ireland based company authorized by the Central Bank of Ireland providing distribution services to ManJer, WTMAML and WML.
- *WisdomTree Digital Commodity Services, LLC* is a New York based company that serves as the sponsor of the WisdomTree Bitcoin Fund, which is currently effective with the SEC. The WisdomTree Bitcoin Fund is an exchange-traded fund that issues common shares of beneficial interest and is listed on the Cboe BZX Exchange, Inc. The WisdomTree Bitcoin Fund provides exposure to the spot price of bitcoin.
- *WisdomTree Digital Management, Inc.* (“WT Digital Management”) is a New York based investment adviser registered with the SEC, providing investment advisory and other management services to the WisdomTree Digital Trust (“WTDT”) and WisdomTree Digital Funds. The WisdomTree Digital Funds are issued in the U.S. by WTDT. WTDT is a non-consolidated Delaware statutory trust registered with the SEC as an open-end management investment company. Each Digital Fund uses blockchain technology to maintain a secondary record of its shares on one or more blockchains (e.g., Stellar or Ethereum), but does not directly or indirectly invest in any assets that rely on blockchain technology, such as cryptocurrencies.
- *WisdomTree Digital Movement, Inc.* (“WT Digital Movement”) is a New York based company operating as a money services business registered with the Financial Crimes Enforcement Network. WT Digital Movement has obtained and is seeking additional state money transmitter licenses to operate a platform for the purchase, sale and exchange of tokenized assets, while also providing blockchain-native digital wallet services through WisdomTree Prime to facilitate such activity.
- *WisdomTree Securities, Inc.* is a New York based limited purpose broker-dealer (i.e., mutual fund retailer), facilitating transactions in WisdomTree Digital Funds.
- *WisdomTree Transfers, Inc.* is a New York based transfer agent registered with the SEC, providing transfer agency and registrar services for the WisdomTree Digital Funds. The transfer agent maintains the official record of share ownership in book entry form and reconciles the official record with the secondary record of ownership of shares on one or more blockchains.

- *WisdomTree Digital Trust Company, LLC* is a New York based limited liability trust company chartered by the New York State Department of Financial Services to provide certain digital asset products and services (e.g., custody) via WisdomTree Prime.

2. Significant Accounting Policies

Basis of Presentation

These consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”) and in the opinion of management reflect all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of the financial statements. The consolidated financial statements include the accounts of the Company’s wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

Consolidation

The Company consolidates entities in which it has a controlling financial interest. The Company determines whether it has a controlling financial interest in an entity by first evaluating whether the entity is a voting interest entity (“VOE”) or a variable interest entity (“VIE”). The usual condition for a controlling financial interest in a VOE is ownership of a majority voting interest. If the Company has a majority voting interest in a VOE, the entity is consolidated. The Company has a controlling financial interest in a VIE when the Company has a variable interest that provides it with (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 reassesses its evaluation of whether an entity is a VOE or VIE when certain reconsideration events occur.

Segment and Geographic Information

The Company, through its subsidiaries in the U.S. and Europe, is a global financial innovator, offering a well-diversified suite of ETPs, models, solutions and products leveraging blockchain technology. The Company conducts business as a single operating segment as an ETP sponsor and asset manager, which is based upon the Company’s current organizational and management structure, as well as information used by the Company’s Chief Executive Officer (the chief operating decision maker, or CODM) to allocate resources and other factors.

Foreign Currency Translation

Assets and liabilities of subsidiaries whose functional currency is not the U.S. dollar are translated based on the end of period exchange rates from local currency to U.S. dollars. Results of operations are translated at the average exchange rates in effect during the period. The impact of the foreign currency translation adjustment is included in the Consolidated Statements of Comprehensive Income as a component of other comprehensive (loss)/income.

Use of Estimates

The preparation of the Company’s consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the balance sheet dates and the reported amounts of revenues and expenses for the periods presented. Actual results could differ materially from those estimates.

Revenue Recognition

The Company earns substantially all of its revenue in the form of advisory fees from its ETPs and recognizes this revenue over time, as the performance obligation is satisfied. Advisory fees are based on a percentage of the ETPs’ average daily net assets. Progress is measured using the practical expedient under the output method resulting in the recognition of revenue in the amount for which the Company has a right to invoice.

Contractual Gold Payments

Contractual gold payments were measured and paid monthly based upon the average daily spot price of gold. The Company’s obligation to continue making these payments terminated on May 10, 2023.

Marketing and Advertising

Marketing and advertising costs, including media advertising and production costs, are expensed when incurred.

Depreciation and Amortization

Depreciation and amortization is provided for using the straight-line method over the estimated useful lives of the related assets as follows:

Equipment	3 to 5 years
Internally-developed software	3 years

The assets listed above are recorded at cost less accumulated depreciation and amortization.

Stock-Based Awards

Accounting for stock-based compensation requires the measurement and recognition of compensation expense for all equity awards based on estimated fair values. Stock-based compensation is measured based on the grant-date fair value of the award and is amortized over the relevant service period. Forfeitures are recognized when they occur.

Third-Party Distribution Fees

The Company pays a percentage of its advisory fee revenues based on incremental growth in assets under management (“AUM”), subject to caps or minimums, to marketing agents to sell WisdomTree ETPs and for including WisdomTree ETPs on third-party customer platforms and recognizes these expenses as incurred.

Cash, Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments with an original maturity of 90 days or less at the time of purchase to be classified as cash equivalents. The Company maintains deposits with financial institutions in an amount that is in excess of federally insured limits. Restricted cash is required to be maintained in a separate account with withdrawal and usage restrictions.

Accounts Receivable

Accounts receivable are customer and other obligations due under normal trade terms. The Company measures credit losses, if any, by applying historical loss rates, adjusted for current conditions and reasonable and supportable forecasts to amounts outstanding using the aging method.

Impairment of Long-Lived Assets

The Company performs a review for the impairment of long-lived assets when events or changes in circumstances indicate that the estimated undiscounted future cash flows expected to be generated by the assets are less than their carrying amounts or when other events occur which may indicate that the carrying amount of an asset may not be recoverable.

Financial Instruments Owned and Financial Instruments Sold, but Not yet Purchased (at Fair Value)

Financial instruments owned and financial instruments sold, but not yet purchased are financial instruments classified as either trading or available-for-sale (“AFS”). These financial instruments are recorded on their trade date and are measured at fair value. All equity instruments that have readily determinable fair values are classified by the Company as trading. Debt instruments are classified based primarily on the Company’s intent to hold or sell the instrument. Changes in the fair value of debt instruments classified as trading and AFS are reported in other income/(expenses) and other comprehensive income, respectively, in the period the change occurs. Debt instruments classified as AFS are assessed for impairment on a quarterly basis and an estimate for credit loss is provided when the fair value of the AFS debt instrument is below its amortized cost basis. Credit-related impairments are recognized in earnings with a corresponding adjustment to the instrument’s amortized cost basis if the Company intends to sell the impaired AFS debt instrument or it is more likely than not the Company will be required to sell the instrument before recovering its amortized cost basis. Other credit-related impairments are recognized as an allowance with a corresponding adjustment to earnings. Impairments resulting from noncredit-related factors are recognized in other comprehensive income. Amounts recorded in other comprehensive income are reclassified into earnings upon sale of the AFS debt instrument using the specific identification method.

Securities Held-to-Maturity

The Company accounts for certain of its securities as held-to-maturity on a trade date basis, which are recorded at amortized cost. For held-to-maturity securities, the Company has the intent and ability to hold these securities to maturity and it is not more-likely-than-not that the Company will be required to sell these securities before recovery of their amortized cost bases, which may be maturity. Held-to-maturity securities are placed on non-accrual status when the Company is in receipt of information indicating collection of interest is doubtful. Cash received on held-to-maturity securities placed on non-accrual status is recognized on a cash basis as interest income if and when received.

The Company reviews its portfolio of held-to-maturity securities for impairment on a quarterly basis, recognizing an allowance, if any, by applying an estimated loss rate after consideration for the nature of collateral securing the financial asset as well as potential future changes in collateral values and historical loss information for financial assets secured with similar collateral.

Investments in pass-through government-sponsored enterprises (“GSEs”) are determined to have an estimated loss rate of zero due to an implicit U.S. government guarantee.

Investments

The Company accounts for equity investments that do not have a readily determinable fair value under the measurement alternative prescribed in Accounting Standards Codification (“ASC”) Topic 321, Investments – Equity Securities (“ASC 321”), to the extent such investments are not subject to consolidation or the equity method. Under the measurement alternative, these financial instruments are carried at cost, less any impairment (assessed quarterly), plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. In addition, income is recognized when dividends are received only to the extent they are distributed from net accumulated earnings of the investee. Otherwise, such distributions are considered returns of investment and are recorded as a reduction of the cost of the investment.

Investments in debt instruments are accounted for at fair value, with changes in fair value reported in other income/(expenses).

Goodwill

Goodwill is the excess of the purchase price over the fair values of the identifiable net assets at the acquisition date. The Company tests goodwill for impairment at least annually and at the time of a triggering event requiring re-evaluation, if one were to occur. Goodwill is considered impaired when the estimated fair value of the reporting unit that was allocated the goodwill is less than its carrying value. If the estimated fair value of such reporting unit is less than its carrying value, goodwill impairment is recognized based on that difference, not to exceed the carrying amount of goodwill. A reporting unit is an operating segment or a component of an operating segment provided that the component constitutes a business for which discrete financial information is available and management regularly reviews the operating results of that component.

Goodwill is allocated to the Company’s U.S. business and European business components. For impairment testing purposes, these components are aggregated as a single reporting unit as they fall under the same operating segment and have similar economic characteristics.

Goodwill is assessed for impairment annually on November 30th. When performing its goodwill impairment test, the Company considers a qualitative assessment, when appropriate, and a quantitative assessment using the market approach and its market capitalization when determining the fair value of the reporting unit.

Intangible Assets

Indefinite-lived intangible assets are tested for impairment at least annually and are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Indefinite-lived intangible assets are impaired if their estimated fair values are less than their carrying values.

Finite-lived intangible assets, if any, are amortized over their estimated useful life, which is the period over which the assets are expected to contribute directly or indirectly to the future cash flows of the Company. These intangible assets are tested for impairment at the time of a triggering event, if one were to occur. Finite-lived intangible assets may be impaired when the estimated undiscounted future cash flows generated from the assets are less than their carrying amounts.

The Company may rely on a qualitative assessment when performing its intangible asset impairment test. Otherwise, the impairment evaluation is performed at the lowest level of reasonably identifiable cash flows independent of other assets. The annual impairment testing date for all of the Company’s intangible assets is November 30th.

Software Development Costs

Software development costs incurred after the preliminary project stage is complete are capitalized if it is probable that the project will be completed and the software will be used as intended. Capitalized costs consist of employee compensation costs and fees paid to third parties who are directly involved in the application development efforts and are included in intangible assets, net in the Consolidated Balance Sheets. Such costs are amortized over the estimated useful life of the software on a straight-line basis and are included in depreciation and amortization in the Consolidated Statements of Operations. Once the application development stage is complete, additional costs are expensed as incurred.

Leases

The Company accounts for its lease obligations in accordance with ASC Topic 842, Leases (“ASC 842”), which requires the recognition of both (i) a lease liability equal to the present value of the remaining lease payments and (ii) an offsetting right-of-use asset. The remaining lease payments are discounted using the rate implicit in the lease, if known, or otherwise the Company’s incremental borrowing rate. After lease commencement, right-of-use assets are assessed for impairment and otherwise are amortized over the remaining lease term on a straight-line basis. These recognition requirements are not applied to short-term leases, which are those with a lease term of 12 months or less. Instead, lease payments associated with short-term leases are recognized as an expense on a straight-line basis over the lease term.

ASC 842 also provides a practical expedient which allows for consideration in a contract to be accounted for as a single lease component rather than allocated between lease and non-lease components. The Company has elected to apply this practical expedient to all lease contracts, where applicable.

Deferred Consideration—Gold Payments

Deferred consideration—gold payments represented the present value of an obligation to pay gold to a third party into perpetuity and was measured using forward-looking gold prices observed on the CMX exchange, a selected discount rate and perpetual growth rate (Note 9). Changes in the fair value and settlement of this obligation were reported as gain on revaluation/termination of deferred consideration—gold payments in the Consolidated Statements of Operations.

Convertible Notes

Convertible notes are carried at amortized cost, net of issuance costs. The Company accounts for convertible instruments as a single liability (applicable to the convertible notes) or equity with no separate accounting for embedded conversion features unless the conversion feature meets the criteria for accounting under the substantial premium model or does not qualify for a derivative scope exception. Interest expense is recognized using the effective interest method and includes amortization of issuance costs over the life of the debt.

Contingencies

The Company may be subject to reviews, inspections and investigations by regulatory authorities as well as legal proceedings arising in the ordinary course of business. The Company evaluates the likelihood of an unfavorable outcome of all legal or regulatory proceedings to which it is a party and accrues a loss contingency when the loss is probable and reasonably estimable.

Contingent Payments

The Company recognizes a gain on contingent payments when the contingency is resolved and the gain is realized.

Earnings per Share

Basic earnings per share (“EPS”) is computed by dividing net income available to common stockholders by the weighted-average number of common shares outstanding for the period. Net income available to common stockholders represents net income of the Company reduced by an allocation of earnings to participating securities. The Series A non-voting convertible preferred stock and Series C non-voting convertible preferred stock (Notes 9 and 11) and unvested share-based payment awards that contain non-forfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and are included in the computation of EPS pursuant to the two-class method. Share-based payment awards that do not contain such rights are not deemed participating securities and are included in diluted shares outstanding (if dilutive).

Diluted EPS is calculated under the treasury stock method and the two-class method. The calculation that results in the lowest diluted EPS amount for the common stock is reported in the Company’s consolidated financial statements. The treasury stock method includes the dilutive effect of potential common shares including unvested stock-based awards, the Series A non-voting convertible preferred stock, the Series C non-voting convertible preferred stock and the convertible notes, if any. Potential common shares associated with the Series A non-voting convertible preferred stock, the Series C non-voting convertible preferred stock and the convertible notes are computed under the if-converted method. Potential common shares associated with the conversion option embedded in the convertible notes are dilutive when the Company’s average stock price exceeds the conversion price.

Income Taxes

The Company accounts for income taxes using the liability method, which requires the determination of deferred tax assets and liabilities based on the differences between the financial and tax bases of assets and liabilities using the enacted tax rates in effect for the year in which differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more-likely-than-not that some portion or all the deferred tax assets will not be realized.

Tax positions are evaluated utilizing a two-step process. The Company first determines whether any of its tax positions are more-likely-than-not to be sustained upon examination, based solely on the technical merits of the position. Once it is determined that a position meets this recognition threshold, the position is measured as the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement. The Company records interest expense and penalties related to tax expenses as income tax expense.

The Global Intangible Low-Taxed Income (“GILTI”) provisions of the Tax Reform Act requires the Company to include in its U.S. income tax return foreign subsidiary earnings in excess of an allowable return on the foreign subsidiary’s tangible assets. An accounting policy election is available to either account for the tax effects of GILTI in the period that is subject to such taxes or to provide deferred taxes for book and tax basis differences that upon reversal may be subject to such taxes. The Company accounts for the tax effects of these provisions in the period that is subject to such tax.

Non-income based taxes are recorded as part of other liabilities and other expenses.

Recently Issued Accounting Pronouncements

On December 14, 2023, the Financial Accounting Standards Board (“FASB”) issued ASU 2023-09, *Improvements to Income Tax Disclosures*, which establishes new income tax disclosure requirements in addition to modifying and eliminating certain existing requirements. Under the new guidance, entities must consistently categorize and provide greater disaggregation of information in the rate reconciliation. They must also further disaggregate income taxes paid. The standard is intended to benefit stockholders by providing more detailed income tax disclosures that would be useful in making capital allocation decisions. The guidance applies to all entities subject to income taxes and is effective for annual periods beginning after December 15, 2024. The guidance will be applied on a prospective basis with the option to apply the standard retrospectively. Early adoption is permitted. The Company is considering early adoption of this standard in connection with the filing of its Annual Report on Form 10-K for the year ending December 31, 2024.

Recently Adopted Accounting Pronouncements

On January 1, 2024, the Company adopted ASU 2023-07, *Segment Reporting—Improvements to Reportable Segment Disclosures*, which requires public entities to provide disclosures of significant segment expenses and other segment items. The guidance requires public entities to provide in interim periods all disclosures about a reportable segment’s profit or loss and assets that are currently required annually and also applies to public entities with a single reportable segment. Entities are permitted to disclose more than one measure of a segment’s profit or loss if such measures are used by the CODM to allocate resources and assess performance, as long as at least one of those measures is determined in a way that is most consistent with the measurement principles used to measure the corresponding amounts in the consolidated financial statements. The guidance is applied retrospectively to all periods presented in financial statements, unless it is impracticable, and is effective for fiscal years beginning after December 15, 2023, and for interim periods beginning after December 15, 2024. See Note 26 for additional information.

On January 1, 2024, the Company early adopted ASU 2023-08, *Accounting for and Disclosure of Crypto Assets*, which contains final guidance requiring all entities to measure certain crypto assets at fair value each reporting period and to reflect changes from remeasurement in net income. Entities are required to present crypto assets measured at fair value separately from other intangible assets on the balance sheet and present changes from the remeasurement of crypto assets separately from changes in the carrying amounts of other intangible assets in the income statement. Entities are required to provide interim and annual disclosures about the types of crypto assets they hold and any changes in their holdings of crypto assets. The guidance is effective for fiscal years beginning after December 15, 2024, including interim periods within those fiscal years. The adoption of this standard did not have a material impact on the Company’s financial statements.

3. Cash, Cash Equivalents and Restricted Cash

Of the total cash, cash equivalents and restricted cash of \$132,459 and \$129,305 at June 30, 2024 and December 31, 2023, respectively, \$124,363 and \$116,895 were held at three financial institutions. At June 30, 2024 and December 31, 2023, cash equivalents were approximately \$12,972 and \$50,226, respectively.

Certain of the Company’s subsidiaries are required to maintain a minimum level of regulatory capital, generally satisfied by cash on hand, which was \$36,964 and \$29,156 at June 30, 2024 and December 31, 2023, respectively. Of these amounts, \$13,472 and \$0, at June 30, 2024 and December 31, 2023, respectively, was restricted cash, which is required to be maintained in a separate account with withdrawal and usage restrictions in compliance with regulatory obligations.

4. Fair Value Measurements

The fair value of financial instruments is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., “the exit price”) in an orderly transaction between market participants at the measurement date. ASC 820, *Fair Value Measurement*, establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1 – Quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations whose inputs are observable or whose significant value drivers are observable.

Level 3 – Instruments whose significant drivers are unobservable.

The availability of observable inputs can vary from product to product and is affected by a wide variety of factors, including, for example, the type of product, whether the product is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by management in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

The tables below summarize the categorization of the Company's assets and liabilities measured at fair value. During the three and six months ended June 30, 2024 and 2023, there were no transfers between Levels 2 and 3.

	June 30, 2024			
	Total	Level 1	Level 2	Level 3
Assets:				
Recurring fair value measurements:				
Cash equivalents	\$ 12,972	\$ 12,972	\$ —	\$ —
Financial instruments owned, at fair value:				
ETFs	45,126	45,126	—	—
Pass-through GSEs	9,892	—	9,892	—
Other assets—seed capital (WisdomTree Digital Funds):				
U.S. treasuries	5,223	—	5,223	—
Equities	7,641	7,641	—	—
Fixed income	1,901	1,010	891	—
Total	\$ 82,755	\$ 66,749	\$ 16,006	\$ —
Non-recurring fair value measurements:				
Fnlity International Limited—Series B-1 Preference Shares ⁽¹⁾	\$ 8,288	\$ —	\$ —	\$ 8,288

⁽¹⁾ Fair value determined on June 17, 2024.

	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Assets:				
Recurring fair value measurements:				
Cash equivalents	\$ 50,226	\$ 50,226	\$ —	\$ —
Financial instruments owned, at fair value:				
ETFs	35,181	35,181	—	—
Pass-through GSEs	10,240	—	10,240	—
Other assets—seed capital (WisdomTree Digital Funds)				
U.S. treasuries	5,007	—	5,007	—
Equities	6,337	6,337	—	—
Fixed income	1,957	1,008	949	—
Total	\$ 108,948	\$ 92,752	\$ 16,196	\$ —
Non-recurring fair value measurements:				
Fnlity International Limited—Series B-1 Preference Shares ⁽¹⁾	9,684	—	—	9,684
Other investments ⁽²⁾	—	—	—	—
Total	\$ 9,684	\$ —	\$ —	\$ 9,684

⁽¹⁾ Fair value determined on October 31, 2023.

⁽²⁾ Fair value determined on September 30, 2023.

Recurring Fair Value Measurements – Methodology

Cash Equivalents (Note 3) – These financial assets represent cash invested in highly liquid investments with original maturities of less than 90 days. These investments are valued at par, which approximates fair value, and are classified as Level 1 in the fair value hierarchy.

Financial instruments owned (Note 5) – Financial instruments owned are investments in ETFs, pass-through GSEs, U.S. treasuries, equities and fixed income. ETFs and equities are generally traded in active, quoted and highly liquid markets and are therefore classified as Level 1 in the fair value hierarchy. Pricing of U.S. treasuries, pass-through GSEs and fixed income includes consideration given to date of issuance, collateral characteristics and market assumptions related to yields, credit risk and timing of prepayments and may be classified as either Level 1 or Level 2.

5. Financial instruments owned

These instruments consist of the following:

	June 30, 2024	December 31, 2023
Financial instruments owned		
Trading securities	\$ 55,018	\$ 45,421
Other assets—seed capital (WisdomTree Digital Funds)	14,765	13,301
Total	\$ 69,783	\$ 58,722

The Company recognized net trading (losses)/gains on financial instruments owned that were still held at the reporting dates of (\$67) and (\$222) during the three months ended June 30, 2024 and 2023, respectively, and \$1,837 and \$1,309 during the six months ended June 30, 2024 and 2023, respectively, which were recorded in other losses and gains, net, in the Consolidated Statements of Operations.

6. Securities Held-to-Maturity

The following table is a summary of the Company's securities held-to-maturity:

	June 30, 2024	December 31, 2023
Debt instruments: Pass-through GSEs (amortized cost)	\$ 218	\$ 230

During the six months ended June 30, 2024 and 2023, the Company received proceeds of \$12 and \$14, respectively, from held-to-maturity securities maturing or being called prior to maturity.

The following table summarizes unrealized losses and fair value (classified as Level 2 within the fair value hierarchy) of securities held-to-maturity:

	June 30, 2024	December 31, 2023
Cost/amortized cost	\$ 218	\$ 230
Gross unrealized losses	(20)	(15)
Fair value	\$ 198	\$ 215

An allowance for credit losses was not provided on the Company's held-to-maturity securities as all securities are investments in pass-through GSEs which are determined to have an estimated loss rate of zero due to an implicit U.S. government guarantee.

The following table sets forth the maturity profile of the securities held-to-maturity; however, these securities may be called prior to the maturity date:

	June 30, 2024	December 31, 2023
Due within one year	\$ —	\$ —
Due one year through five years	—	—
Due five years through ten years	20	22
Due over ten years	198	208
Total	\$ 218	\$ 230

7. Investments

The following table sets forth the Company's investments:

	June 30, 2024		December 31, 2023	
	Carrying Value	Cost	Carrying Value	Cost
Finality International Limited—Series B-1 Preference Shares	\$ 8,288	\$ 8,091	\$ 9,684	\$ 8,091
Total	\$ 8,288	\$ 8,091	\$ 9,684	\$ 8,091

Finality International Limited

The Company owns approximately 5.4% (or 4.8% on a fully-diluted basis) of capital stock of Finality International Limited ("Finality"), a company incorporated in England and Wales and focused on creating a peer-to-peer digital wholesale settlement ecosystem comprised of a consortium of financial institutions, offering real time cross-border payments from a single pool of liquidity. The Company's ownership interest is represented by 2,340,378 Series B-1 Preference Shares, resulting from the conversion of its investment of £6,000 (\$8,091) in convertible notes upon Finality's qualified equity financing which occurred in October 2023. The Series B-1 Preference Shares carry a 1.0x liquidation preference, are convertible into ordinary shares at the option of the Company and contain various rights and protections.

This investment is accounted for under the measurement alternative prescribed in ASC 321, as it does not have a readily determinable fair value and is otherwise not subject to the equity method of accounting. The investment is assessed for impairment and similar observable transactions on a quarterly basis. During the three months ended June 30, 2024, the Company recognized a loss of \$1,318 on its investment in Finality, which is recorded in other losses and gains, net on the Consolidated Statements of Operations. This investment was re-measured to fair value upon the conversion of Finality's Series B-2 Preference Shares held by other investors into Series B-1 Preference Shares, which occurred in June 2024. Fair value was determined using the backsolve method, a valuation approach that determines the value of shares for companies with complex capital structures based upon the price paid for shares recently issued. Fair value was allocated across the capital structure using the Black-Scholes option pricing model. The change in fair value also includes the impact of changes in the British pound to U.S. dollar exchange rate.

The table below presents the inputs used in the backsolve valuation approach (classified as Level 3 in the fair value hierarchy):

	Inputs	
	June 30, 2024	December 31, 2023
Expected volatility	60%	60%
Time to exit (in years)	4.35	5.00
Probability that Series B-2 Preference Shares convert into Series B-1 Preference Shares	N/A	75%

During the six months ended June 30, 2024, the Company recognized a loss of \$1,396, inclusive of changes in the British pound to U.S. dollar exchange rate, which is recorded in other losses and gains, net on the Consolidated Statements of Operations. There was no impairment recognized on this investment during the three and six months ended June 30, 2024 based upon a qualitative assessment.

8. Fixed Assets, net

The following table summarizes fixed assets:

	June 30, 2024	December 31, 2023
Equipment	\$ 1,035	\$ 1,097
Less: accumulated depreciation	(622)	(670)
Total	\$ 413	\$ 427

9. Deferred Consideration—Gold Payments

Deferred consideration—gold payments represented an obligation the Company assumed in connection with its acquisition of the European exchange-traded commodity, currency and leveraged-and-inverse business of ETFS Capital Limited ("ETFS Capital") which occurred on April 11, 2018. The obligation was for fixed payments to ETFS Capital of physical gold bullion equating to 9,500 ounces of gold per year through March 31, 2058 and then subsequently reduced to 6,333 ounces of gold per year continuing into perpetuity ("contractual gold payments"). ETFS Capital continued to pass through the payments to other parties to meet its payment obligations under prior royalty agreements, including to Gold Bullion Holdings (Jersey) Limited ("GBH"), a subsidiary of the World Gold Council ("WGC"), Graham Tuckwell ("GT"), and Rodber Investments Limited ("RIL"), an entity controlled by GT, who is also the Chairman of ETFS Capital.

On May 10, 2023, the Company terminated its contractual gold payments obligation for aggregate consideration totaling \$136,903 pursuant to a Sale, Purchase and Assignment Deed (the “SPA Agreement”) with WisdomTree International Holdings Ltd, Electra Target HoldCo Limited, ETFs Capital, WGC, GBH, GT and RIL. Under the terms of the transaction, GBH received approximately \$4,371 in cash and 13,087 shares of Series C Non-Voting Convertible Preferred Stock of the Company, \$0.01 par value per share convertible into 13,087,000 shares of the Company’s common stock (see Note 12 for additional information), and RIL received approximately \$45,634 in cash.

During the three and six months ended June 30, 2023, the Company recognized the following in respect of deferred consideration—gold payments:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Contractual gold payments	\$ —	\$ 1,583	\$ —	\$ 6,069
Contractual gold payments—gold ounces paid	—	792	—	3,167
Gain on revaluation/termination of deferred consideration—gold payments	\$ —	\$ 41,361	\$ —	\$ 61,953

10. Convertible Notes

On February 14, 2023, the Company issued and sold \$130,000 in aggregate principal amount of 5.75% Convertible Senior Notes due 2028 (the “2023 Notes”) pursuant to an indenture dated February 14, 2023, between the Company and U.S. Bank Trust Company, National Association, as trustee (or its successor in interest, the “Trustee”), in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (“Rule 144A”).

On June 14, 2021, the Company issued and sold \$150,000 in aggregate principal amount of 3.25% Convertible Senior Notes due 2026 (the “2021 Notes”) pursuant to an indenture dated June 14, 2021, between the Company and the Trustee, in a private offering to qualified institutional buyers pursuant to Rule 144A.

On June 16, 2020, the Company issued and sold \$150,000 in aggregate principal amount of 4.25% Convertible Senior Notes due 2023 (the “June 2020 Notes”) pursuant to an indenture dated June 16, 2020, between the Company and the Trustee, in a private offering to qualified institutional buyers pursuant to Rule 144A. On August 13, 2020, the Company issued and sold \$25,000 in aggregate principal amount of 4.25% Convertible Senior Notes due 2023 at a price equal to 101% of the principal amount thereof, plus interest deemed to have accrued since June 16, 2020, which constitute a further issuance of, and form a single series with, the Company’s June 2020 Notes (the “August 2020 Notes” and together with the June 2020 Notes, the “2020 Notes”).

In connection with the issuance of the 2023 Notes, the Company repurchased \$115,000 in aggregate principal amount of the 2020 Notes. As a result of this repurchase, the Company recognized a loss on extinguishment of approximately \$9,721 during the six months ended June 30, 2023. The remainder of the 2020 Notes matured on June 15, 2023 and were settled for \$59,955 in cash and 1,037,288 shares of common stock, as the conversion option was in the money.

After the repurchase and settlement at maturity of the 2020 Notes and the issuance of the 2023 Notes (and together with the 2021 Notes, the “Convertible Notes”), the Company had \$280,000 in aggregate principal amount of Convertible Notes outstanding.

Key terms of the Convertible Notes are as follows:

	2023 Notes	2021 Notes
Principal outstanding	\$130,000	\$150,000
Maturity date (unless earlier converted, repurchased or redeemed)	August 15, 2028	June 15, 2026
Interest rate	5.75%	3.25%
Conversion price	\$9.54	\$11.04
Conversion rate	104.8658	90.5797
Redemption price	\$12.40	\$14.35

- *Interest rate:* Payable semiannually in arrears on February 15 and August 15 of each year for the 2023 Notes and on June 15 and December 15 of each year for the 2021 Notes.
- *Conversion price:* Convertible at an initial conversion rate into shares of the Company’s common stock, per \$1,000 principal amount of notes (equivalent to an initial conversion price set forth in the table above), subject to adjustment.

- **Conversion:** Holders may convert at their option at any time prior to the close of business on the business day immediately preceding May 15, 2028 and March 15, 2026 for the 2023 Notes and 2021 Notes, respectively, only under the following circumstances: (i) if the last reported sale price of the Company’s common stock for at least 20 trading days during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price for the respective Convertible Notes on each applicable trading day; (ii) during the five business day period after any ten consecutive trading day period (the “measurement period”) in which the trading price per \$1,000 principal amount of the Convertible Notes for each trading day of the measurement period was less than 98% of the product of the last reported sales price of the Company’s common stock and the conversion rate on each such trading day; (iii) upon a notice of redemption delivered by the Company in accordance with the terms of the indentures but only with respect to the Convertible Notes called (or deemed called) for redemption; or (iv) upon the occurrence of specified corporate events. On or after May 15, 2028 and March 15, 2026 in respect of the 2023 Notes and the 2021 Notes, respectively, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their Convertible Notes at any time, regardless of the foregoing circumstances.
- **Cash settlement of principal amount:** Upon conversion, the Company will pay cash up to the aggregate principal amount of the Convertible Notes to be converted. At its election, the Company will also settle its conversion obligation in excess of the aggregate principal amount of the Convertible Notes being converted in either cash, shares of its common stock or a combination of cash and shares of its common stock.
- **Redemption price:** The Company may redeem for cash all or any portion of the Convertible Notes, at its option, on or after August 20, 2025 and June 20, 2023 in respect of the 2023 Notes and the 2021 Notes, respectively, and on or prior to the 55th scheduled trading day immediately preceding the maturity date, if the last reported sale price of the Company’s common stock has been at least 130% of the conversion price for the respective Convertible Notes then in effect for at least 20 trading days, including the trading day immediately preceding the date on which the Company provides notice of redemption, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which the Company provides notice of redemption, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but excluding the redemption date. No sinking fund is provided for the Convertible Notes.
- **Limited investor put rights:** Holders of the Convertible Notes have the right to require the Company to repurchase for cash all or a portion of their notes at 100% of their principal amount, plus any accrued and unpaid interest, upon the occurrence of certain change of control transactions or liquidation, dissolution or common stock delisting events.
- **Conversion rate increase in certain customary circumstances:** In certain circumstances, conversions in connection with a “make-whole fundamental change” (as defined in the indentures) or conversions of Convertible Notes called (or deemed called) for redemption may result in an increase to the conversion rate, provided that the conversion rate will not exceed 167.7853 shares and 144.9275 shares of the Company’s common stock per \$1,000 principal amount of the 2023 Notes and the 2021 Notes, respectively (the equivalent of 43,551,214 shares of the Company’s common stock), subject to adjustment.
- **Seniority and Security:** The 2023 Notes and 2021 Notes rank equal in right of payment, and are the Company’s senior unsecured obligations, but are subordinated in right of payment to the Company’s obligations to make certain redemption payments (if and when due) in respect of its Series A Non-Voting Convertible Preferred Stock (Note 11).

The indentures contain customary terms and covenants, including that upon certain events of default occurring and continuing, either the Trustee or the respective holders of not less than 25% in aggregate principal amount of the respective series of Convertible Notes outstanding may declare the entire principal amount of all such respective Convertible Notes to be repurchased, plus any accrued special interest, if any, to be immediately due and payable.

The following table provides a summary of the Convertible Notes at June 30, 2024 and December 31, 2023:

	June 30, 2024			December 31, 2023		
	2023 Notes	2021 Notes	Total	2023 Notes	2021 Notes	Total
Principal amount	\$ 130,000	\$ 150,000	\$ 280,000	\$ 130,000	\$ 150,000	\$ 280,000
Less: Unamortized issuance costs	(2,667)	(1,695)	(4,362)	(2,987)	(2,125)	(5,112)
Carrying amount	\$ 127,333	\$ 148,305	\$ 275,638	\$ 127,013	\$ 147,875	\$ 274,888
Effective interest rate ⁽¹⁾	6.25%	3.83%	4.96%	6.25%	3.83%	4.96%

⁽¹⁾ Includes amortization of the issuance costs and premium.

Interest expense on the Convertible Notes was \$3,463 and \$6,926 respectively, during the three and six months ended June 30, 2024 and \$4,021 and \$8,023, respectively, during the comparable periods in 2023. Interest payable of \$3,041 at June 30, 2024 and December 31, 2023, is included in accounts payable and other liabilities on the Consolidated Balance Sheets.

The fair value of the Convertible Notes (classified as Level 2 in the fair value hierarchy) was \$321,894 and \$281,897 at June 30, 2024 and December 31, 2023, respectively. The if-converted value of the 2023 Notes was \$135,042 at June 30, 2024. The if-converted value of the 2021 Notes at June 30, 2024 and the Convertible Notes at December 31, 2023 did not exceed the principal amount.

11. Series A Preferred Stock

On April 10, 2018, the Company filed a Certificate of Designations of Series A Non-Voting Convertible Preferred Stock (the “Series A Certificate of Designations”) with the Secretary of State of the State of Delaware establishing the rights, preferences, privileges, qualifications, restrictions, and limitations relating to the Series A Preferred Stock (defined below). The Series A Preferred Stock is intended to provide ETFS Capital with economic rights equivalent to the Company’s common stock on an as-converted basis. The Series A Preferred Stock has no voting rights, is not transferable and has the same priority with regard to dividends, distributions and payments as the common stock.

As described in the Series A Certificate of Designations, the Company will not issue, and ETFS Capital does not have the right to require the Company to issue, any shares of common stock upon conversion of the Series A Preferred Stock, if, as a result of such conversion, ETFS Capital (together with certain attribution parties) would beneficially own more than 9.99% of the Company’s outstanding common stock immediately after giving effect to such conversion.

In connection with the completion of the acquisition of the European exchange-traded commodity, currency and leveraged-and-inverse business of ETFS Capital (the “ETFS Acquisition”), the Company issued 14,750 shares of Series A Non-Voting Convertible Preferred Stock (the “Series A Preferred Stock”), which are convertible into an aggregate of 14,750,000 shares of common stock. The fair value of this consideration was \$132,750, based on the closing price of the Company’s common stock on April 10, 2018 of \$9.00 per share, the trading day prior to the closing of the acquisition.

The following is a summary of the Series A Preferred Stock balance:

	June 30, 2024	December 31, 2023
Issuance of Series A Preferred Stock	\$ 132,750	\$ 132,750
Less: Issuance costs	(181)	(181)
Series A Preferred Stock—carrying value	\$ 132,569	\$ 132,569
Cash dividends declared per share (quarterly)	\$ 0.03	\$ 0.03

Temporary equity classification is required for redeemable instruments for which redemption triggers are outside of the issuer’s control. ETFS Capital has the right to redeem all the Series A Preferred Stock specified to be converted during the period of time specified in the Series A Certificate of Designations in the event that: (a) the number of shares of the Company’s common stock authorized by its certificate of incorporation is insufficient to permit the Company to convert all of the Series A Preferred Stock requested by ETFS Capital to be converted; or (b) ETFS Capital does not, upon completion of a change of control of the Company, receive the same amount per share of Series A Preferred Stock as it would have received had each outstanding share of Series A Preferred Stock been converted into common stock immediately prior to the change of control. However, the Company will not be obligated to make any such redemption payments to the extent such payments would be a breach of any covenant or obligation the Company owes to any of its secured creditors or is otherwise prohibited by applicable law.

Any such redemption will be at a price per share of Series A Preferred Stock equal to the dollar volume-weighted average price for a share of common stock for the 30-trading day period ending on the date of such attempted conversion or change of control, as applicable, multiplied by 1,000. Such redemption payment will be made in one payment no later than 10 business days following the last day of the Company’s first fiscal quarter that begins on a date following the date ETFS Capital exercises such redemption right. The redemption value of the Series A Preferred Stock was \$144,220 and \$96,869 at June 30, 2024 and December 31, 2023, respectively.

The carrying amount of the Series A Preferred Stock was not adjusted as it was not probable that such shares would become redeemable.

12. Payable to Gold Bullion Holdings (Jersey) Limited (“GBH”)

On November 20, 2023, the Company repurchased its Series C Non-Voting Convertible Preferred Stock, par value \$0.01 per share (the “Series C Preferred Stock”) which was convertible into 13,087,000 shares of the Company’s common stock, from GBH, a subsidiary of WGC, for aggregate cash consideration of approximately \$84,411. Under the terms of the transaction, the Company paid GBH \$40,000 on the closing date, with the remainder of the purchase price payable in equal, interest-free installments on the first, second and third anniversaries of the closing date. The implied price per share was \$6.02 when considering the interest-free financing element of the transaction. The investor rights agreement that the Company and GBH entered into in May 2023 in connection with the issuance of the Series C Preferred Stock, which provided GBH with certain rights and obligations with respect to the shares, including registration rights, was terminated in this transaction.

[Table of Contents](#)

Under U.S. GAAP, the obligation was recorded at its present value utilizing a market rate of interest on the closing date of 7.0% and the corresponding discount is being amortized as interest expense pursuant to the effective interest method of accounting over the life of the obligation. The aggregate consideration payable was valued at \$38,835 on the closing date and the carrying value of this obligation is as follows:

	June 30, 2024	December 31, 2023
Current:	\$ 14,804	\$ 14,804
Long-term	25,671	24,328
Total	<u>\$ 40,475</u>	<u>\$ 39,132</u>

Interest expense recognized was \$677 and \$1,342, respectively, during the three and six months ended June 30, 2024 and \$0 during the comparable periods in 2023 and is included as a component of total interest expense recognized on the Consolidated Statements of Operations.

13. Leases

The Company has entered into operating leases for its office facilities (including its corporate headquarters) and equipment. The Company has no finance leases. The following table provides additional information regarding the Company's leases:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Lease cost:				
Operating lease cost	\$ 323	\$ 321	\$ 647	\$ 640
Short-term lease cost	70	65	140	121
Total lease cost	<u>\$ 393</u>	<u>\$ 386</u>	<u>\$ 787</u>	<u>\$ 761</u>
Other information:				
Cash paid for amounts included in the measurement of operating liabilities (operating leases)	\$ 331	\$ 326	\$ 662	\$ 652
Right-of-use assets obtained in exchange for new operating lease liabilities	n/a	n/a	n/a	n/a
Weighted-average remaining lease term (in years)—operating leases	0.9	0.8	0.9	0.8
Weighted-average discount rate—operating leases	<u>6.6%</u>	<u>6.6%</u>	<u>6.6%</u>	<u>6.6%</u>

None of the Company's leases include variable payments, residual value guarantees or any restrictions or covenants relating to the Company's ability to pay dividends or incur additional financing obligations.

The following table discloses future minimum lease payments at June 30, 2024 with respect to the Company's operating lease liabilities:

Remainder of 2024	\$ 476
2025	396
Total future minimum lease payments (undiscounted)	<u>\$ 872</u>

The following table reconciles the future minimum lease payments (disclosed above) at June 30, 2024 to the operating lease liabilities recognized in the Company's Consolidated Balance Sheets:

Amounts recognized in the Company's Consolidated Balance Sheets

Lease liability—short term	\$ 847
Difference between undiscounted and discounted cash flows	25
Total future minimum lease payments (undiscounted)	<u>\$ 872</u>

14. Contingencies

The Company may be subject to reviews, inspections and investigations by regulatory authorities as well as legal proceedings arising in the ordinary course of business.

Closure of the WisdomTree WTI Crude Oil 3x Daily Leveraged ETP

In December 2020, WMAI, WTMAML, WTUK and WisdomTree Ireland Limited (“WT Ireland”) were served with a writ of summons to appear before the Court of Milan, Italy (the “December 2020 Claim”). In January 2021, WTUK was served with a writ of summons to appear before the Court of Udine, Italy. Investors had filed actions seeking damages resulting from the closure of the WisdomTree WTI Crude Oil 3x Daily Leveraged ETP (“3OIL”) in March 2020. The product was dependent on the receipt of payments from a swap provider to satisfy payment obligations to the investors. Due to an extreme adverse move in oil futures relative to the oil futures’ closing price, the swap contract underlying 3OIL was terminated by the swap provider, which resulted in the compulsory redemption of 3OIL, all in accordance with the prospectus.

In February 2022, the Court of Udine ruled in the Company’s favor, which is not subject to an appeal. Also in February 2022, WMAI, WTMAML, WTUK and WT Ireland were served with another writ of summons to appear before the Court of Milan by additional investors seeking damages resulting from the closure of 3OIL.

In March 2022, WMAI and WTUK were served with a writ of summons to appear before the Court of Turin and two writs of summons to appear before the Court of Milan by additional investors seeking damages. These writs also were served on the intermediary brokers for the respective claimants, with the claimants alleging joint and several liability of WMAI, WTUK and such intermediary brokers. With respect to these two Court of Milan claims: (1) in July 2023, the Court ruled in favor of WMAI and WTUK and against the intermediary broker, and the intermediary broker has appealed the ruling against it and (2) in June 2024, the Court ruled in favor of WMAI, WTUK and the intermediary broker, which is not subject to an appeal.

In March 2024, the Court of Milan ruled in the Company’s favor in the December 2020 Claim brought against WMAI, WTMAML, WTUK and WT Ireland for total damages of €9,300 (\$9,965). The December 2020 Claim remains subject to an appeal.

Total damages sought by all investors related to the open claims described above, including the December 2020 Claim, were approximately €14,435 (\$15,466) at June 30, 2024.

Additionally, in July 2023, WT Ireland received a letter from counsel on behalf of additional investors seeking damages of up to approximately €8,400 (\$9,000) resulting from the closure of 3OIL. The claim is in its preliminary stages and a writ of summons has not been served.

The Company continues to assess the open claims with its external counsel. The Company expects that losses, if any, arising from these claims will be covered under its insurance policies, less a \$500 deductible. An accrual has not been made with respect to these matters at June 30, 2024 and December 31, 2023.

15. Variable Interest Entities

VIEs are entities with any of the following characteristics: (i) the entity does not have enough equity to finance its activities without additional financial support; (ii) the equity holders, as a group, lack the characteristics of a controlling financial interest; or (iii) the entity is structured with non-substantive voting rights.

Consolidation of a VIE is required for the party deemed to be the primary beneficiary, if any. The primary beneficiary is the party who has both (a) the power to direct the activities of a VIE that most significantly impact the entity’s economic performance and (b) an obligation to absorb losses of the entity or a right to receive benefits from the entity that could potentially be significant to the entity. The Company is not the primary beneficiary of any entities in which it has a variable interest as it does not have the power to direct the activities that most significantly impact the entities’ economic performance. Such power is conveyed through the entities’ boards of directors and the Company does not have control over the boards.

The following table presents information about the Company’s variable interests in non-consolidated VIEs:

	<u>June 30, 2024</u>	<u>December 31, 2023</u>
Carrying Amount—Assets:		
Finality Series B-1 Preference Shares (Note 7)	\$ 8,288	\$ 9,684
Maximum exposure to loss	\$ 8,288	\$ 9,684

16. Revenues from Contracts with Customers

The following table presents the Company's total revenues from contracts with customers:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues from contracts with customers:				
Advisory fees	\$ 98,938	\$ 82,004	\$ 191,439	\$ 159,641
Other revenues	8,096	3,720	12,433	8,127
Total operating revenues	<u>\$ 107,034</u>	<u>\$ 85,724</u>	<u>\$ 203,872</u>	<u>\$ 167,768</u>

The Company recognizes revenues from contracts with customers when the performance obligation is satisfied, which is when the promised services are transferred to the customer. A service is considered to be transferred when the customer obtains control, which is represented by the transfer of rights with regard to the service. Transfer of control happens either over time or at a point in time. When a performance obligation is satisfied over time, an entity is required to select a single method of measuring progress for each performance obligation that depicts the entity's performance in transferring control of services to the customer.

Substantially all the Company's revenues from contracts with customers are derived primarily from investment advisory agreements with related parties (Note 17). These advisory fees are recognized over time, are earned from the Company's ETPs and are calculated based on a percentage of the ETPs' average daily net assets. There is no significant judgment in calculating amounts due which are invoiced monthly in arrears and are not subject to any potential reversal. Progress is measured using the practical expedient under the output method resulting in the recognition of revenue in the amount for which the Company has a right to invoice.

There are no contract assets or liabilities that arise in connection with the recognition of advisory fee revenue. In addition, there are no costs incurred to obtain or fulfill the contracts with customers, all of which are investment advisory agreements with related parties.

Other revenues includes revenues the Company earns from swap providers associated with certain of the Company's European listed ETPs, the nature of which are based on a percentage of the ETPs' average daily net assets. The Company also earns transaction-based income on flows associated with certain European listed ETPs. There is no significant judgment in calculating amounts due, which are invoiced monthly or quarterly in arrears and are not subject to any potential reversal. Progress is measured using the practical expedient under the output method resulting in the recognition of revenue in the amount for which the Company has a right to invoice.

Geographic Distribution of Revenues

The following table presents the Company's total revenues geographically as determined by where the respective management companies reside:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenues from contracts with customers:				
United States	\$ 69,882	\$ 52,808	\$ 135,712	\$ 102,489
Jersey	31,633	29,158	57,727	58,211
Ireland	5,519	3,758	10,433	7,068
Total operating revenues	<u>\$ 107,034</u>	<u>\$ 85,724</u>	<u>\$ 203,872</u>	<u>\$ 167,768</u>

17. Related Party Transactions**Investment Advisory Agreements**

The Company's revenues are derived primarily from investment advisory agreements with related parties. Under these agreements, the Company has licensed to related parties the use of certain of its own indexes for the U.S. WisdomTree ETFs, WisdomTree Digital Funds and WisdomTree UCITS ETFs. The relevant boards of trustees or boards of directors (including certain officers of the Company) of each of the related parties is primarily responsible for overseeing the management and affairs of the entities for the benefit of their respective stakeholders and have contracted with the Company to provide for general management and administration services. The Company is also responsible for certain expenses of the related parties, including the cost of transfer agency, custody, fund administration and accounting, legal, audit, and other non-distribution services, excluding extraordinary expenses, taxes and certain other expenses, which are included in fund management and administration in the Consolidated Statements of Operations. In exchange, the Company receives fees based on a percentage of the ETPs' and the Digital Funds' average daily net assets. A majority of the independent members of the respective board of trustees or board of directors are required to initially and annually (after the first two years) approve the advisory agreements of the U.S. WisdomTree ETFs and the WisdomTree Digital Funds and these agreements may be terminated by such board of trustees or board of directors upon notice.

The following table summarizes accounts receivable from related parties which are included as a component of accounts receivable in the Consolidated Balance Sheets:

	June 30, 2024	December 31, 2023
Receivable from WTT	\$ 23,698	\$ 21,226
Receivable from ManJer Issuers	4,785	4,411
Receivable from WMAI and WTICAV	4,407	2,874
Total	<u>\$ 32,890</u>	<u>\$ 28,511</u>

The allowance for credit losses on accounts receivable from related parties is insignificant when applying historical loss rates, adjusted for current conditions and supportable forecasts, to the amounts outstanding in the table above. Amounts outstanding are all invoiced in arrears, are less than 30 days aged and are collected shortly after the applicable reporting period.

The following table summarizes revenues from advisory services provided to related parties:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Advisory services provided to WTT	\$ 69,375	\$ 52,452	\$ 134,277	\$ 101,939
Advisory services provided to ManJer Issuers	24,044	25,794	46,729	50,634
Advisory services provided to WMAI and WTICAV	5,519	3,758	10,433	7,068
Total	<u>\$ 98,938</u>	<u>\$ 82,004</u>	<u>\$ 191,439</u>	<u>\$ 159,641</u>

Investments in WisdomTree Products

The Company also has investments in certain WisdomTree products of approximately \$65,014 and \$52,566 at June 30, 2024 and December 31, 2023, respectively. This includes \$19,890 and \$18,308, respectively, of investments in certain affiliated Digital Funds advised by WT Digital Management, referred to herein as “other assets—seed capital.” Net unrealized and realized (losses)/gains related to trading WisdomTree products were (\$161) and \$1,784, respectively, during the three and six months ended June 30, 2024 and \$419 and \$841, respectively, during the comparable periods in 2023. Such gains are recorded in other losses and gains, net on the Consolidated Statements of Operations.

18. Stock-Based Awards

On July 15, 2022, the Company’s stockholders approved the 2022 Equity Plan under which the Company may issue up to 16,000,000 shares of common stock (less one share for every share granted under the 2016 Equity Plan since March 31, 2022 and inclusive of shares available under the 2016 Equity Plan as of March 31, 2022) in the form of stock options and other stock-based awards.

The Company grants equity awards to employees and directors, which include restricted stock awards (“RSAs”), restricted stock units (“RSUs”), including deferred RSUs to non-employee directors, performance-based restricted stock units (“PRSUs”) and stock options. Certain awards described below are subject to acceleration under certain conditions.

- Stock options: Generally issued for terms of ten years and may vest after at least one year of service and have an exercise price equal to the Company’s stock price on the grant date. The Company estimates the fair value of stock options (when granted) using the Black-Scholes option pricing model.
- RSAs/RSUs: Awards are valued based on the Company’s stock price on grant date and generally vest ratably, on an annual basis, over three years. For non-employee directors, such awards generally vest on the one-year anniversary of the grant date.
- Deferred RSUs: Awards are valued based on the Company’s stock price on grant date and generally vest on the one-year anniversary of the grant date. The awards are issued pursuant to the Company’s Non-Employee Director Deferred Compensation Program, and are settled based on timing elected by the recipient in advance.
- PRSUs: These awards cliff vest three years from the grant date and contain a market condition whereby the number of PRSUs ultimately vesting is tied to how the Company’s total shareholder return (“TSR”) compares to a peer group of other publicly traded asset managers over the three-year period. A Monte Carlo simulation is used to value these awards.

The number of PRSUs vesting ranges from 0% to 200% of the target number of PRSUs granted, as follows:

- If the relative TSR is below the 25th percentile, then 0% of the target number of PRSUs granted will vest;
- If the relative TSR is at the 25th percentile, then 50% of the target number of PRSUs granted will vest;
- If the relative TSR is above the 25th percentile, then linear scaling is applied such that the percent of the target number of PRSUs vesting is 100% at the 50th percentile and capped at 200% of the target number of PRSUs granted for performance at the 85th percentile; and
- If the Company’s TSR is negative, the target number of PRSUs vesting is capped at 100% regardless of the relative TSR percentile.

Stock-based compensation expense was \$5,592 and \$10,755, respectively, during the three and six months ended June 30, 2024 and \$3,970 and \$8,506, respectively, during the comparable periods in 2023.

A summary of unrecognized stock-based compensation expense and average remaining vesting period is as follows:

	June 30, 2024	
	Unrecognized Stock-Based Compensation	Weighted-Average Remaining Vesting Period (Years)
Employees and directors	\$ 28,368	1.27

A summary of stock-based compensation award activity (shares) during the three months ended June 30, 2024 is as follows:

	RSA	RSU	PRSU
Balance at April 1, 2024	4,926,006	227,451	1,393,842
Granted	40,608	40,933	4,447
Vested	(58,648)	—	—
Forfeited	(1,807)	—	—
Balance at June 30, 2024	<u>4,906,159</u>	<u>268,384⁽¹⁾</u>	<u>1,398,289</u>

⁽¹⁾ Includes 102,908 deferred RSUs that have vested.

19. Stockholder Rights Plan

On March 17, 2023, the Board of Directors of the Company adopted a stockholder rights plan, as set forth in the Stockholder Rights Agreement, dated March 17, 2023, between the Company and Continental Stock Transfer & Trust Company, as Rights Agent, as amended by Amendment No. 1 thereto, dated May 4, 2023 (“Amendment No. 1”), Amendment No. 2 thereto, dated May 10, 2023 (“Amendment No. 2”), Amendment No. 3 thereto, dated March 18, 2024 (“Amendment No. 3”), Amendment No. 4 thereto, dated March 25, 2024 (“Amendment No. 4”), and Amendment No. 5 thereto, dated April 30, 2024 (“Amendment No. 5”) (as amended, the “Stockholder Rights Agreement”). At the Company’s 2024 annual meeting of stockholders held on June 12, 2024, the Company’s stockholders ratified the adoption by the Board of Directors of the extension of the Stockholder Rights Agreement.

On March 18, 2024, the Company entered into Amendment No. 3, which extended the Stockholder Rights Agreement, such that the Rights will now expire on the close of business on March 17, 2025. Amendment No. 3 also changed the definition of “Exercise Price” in the Stockholder Rights Agreement from \$32.00 to \$45.00 per Unit (as defined below) to account for the difference in share price between when the Stockholder Rights Agreement was originally adopted and when it was extended.

Pursuant to the terms of the Stockholder Rights Agreement, the Board of Directors declared a dividend distribution of (i) one Right (as defined below) for each outstanding share of common stock, par value \$0.01 per share, of the Company’s common stock and (ii) 1,000 Rights for each outstanding share of the Company’s Series A Preferred Stock, to stockholders of record as of the close of business on March 28, 2023 (the “Record Date”). In addition, one Right will automatically attach to each share of common stock and 1,000 Rights will automatically attach to each share of Series A Preferred Stock, in each case, issued between the Record Date and the earlier of the Distribution Date (as defined below) and the expiration date of the Rights. Each “Right” entitles the registered holder thereof to purchase from the Company a unit consisting of one ten-thousandth of a share (a “Unit”) of Series B Junior Participating Cumulative Preferred Stock, par value \$0.01 per share, of the Company (the “Series B Preferred Stock”) at a cash exercise price of \$45.00 per Unit (the “Exercise Price”), subject to adjustment, under certain conditions specified in the Stockholder Rights Agreement and summarized below.

Initially, the Rights are not exercisable and are attached to and trade with all shares of common stock and Series A Preferred Stock outstanding as of, and issued subsequent to, the Record Date. The Rights will separate from the common stock and Series A Preferred Stock and will become exercisable upon the earlier of (i) the close of business on the tenth calendar day following the first public announcement that a person or group of affiliated or associated persons (an “Acquiring Person”) has acquired beneficial ownership of 10% (or 20% in the case of passive stockholders or “13G Investors,” as defined in the Stockholder Rights Agreement) or more of the outstanding shares of common stock, other than as a result of repurchases of stock by the Company or certain inadvertent actions by a stockholder (the date of such announcement being referred to as the “Stock Acquisition Date”), or (ii) the close of business on the tenth business day (or such later day as the Board of Directors may determine) following the commencement of a tender offer or exchange offer that could result upon its consummation in a person or group becoming an Acquiring Person (the earlier of such dates being herein referred to as the “Distribution Date”). A person or group who beneficially owned 10% or more (or 20% or more in the case of 13G Investors) of the Company’s outstanding common stock prior to the first public announcement by the Company of the adoption of the Stockholder Rights Agreement will not trigger the Stockholder Rights Agreement so long as they do not acquire beneficial ownership of any additional shares of common stock at a time when they still beneficially own 10% or more (or 20% or more in the case of 13G Investors) of such common stock, subject to certain exceptions as set forth in the Stockholder Rights Agreement.

For purposes of the Stockholder Rights Agreement, beneficial ownership is defined to include ownership of securities that are subject to a derivative transaction and acquired derivative securities. Swaps dealers unassociated with any control intent or intent to evade the purposes of the Stockholder Rights Agreement are excepted from such imputed beneficial ownership. Pursuant to Amendment No. 1, beneficial ownership did not include the right to vote pursuant to any agreement, arrangement or understanding with respect to voting on the proposal to approve and ratify the Stockholder Rights Agreement presented to the Company’s stockholders at the Company’s 2023 annual meeting of stockholders. Pursuant to Amendment No. 2, the parties to the SPA Agreement are not deemed to be “Acquiring Persons” solely by virtue of, or as a result of, the parties’ entry into the SPA Agreement, the issuance of the Series C Preferred Stock to GBH, and the performance or consummation of any of the other transactions contemplated by the SPA Agreement, among other conditions, under the terms and conditions set forth in Amendment No. 2. Pursuant to Amendment No. 4, beneficial ownership excludes the right to vote pursuant to any agreement, arrangement or understanding with respect to voting (i) arising solely from a revocable proxy or consent given in response to a public proxy or consent solicitation, or exempt solicitation, made pursuant to a written proxy or consent solicitation statement filed with the SEC and that is not also then reportable on Schedule 13D under the Exchange Act, or (ii) on a proposal to approve and ratify the Stockholder Rights Agreement (as amended from time to time), including any amendment thereto or extension thereof, presented to the Company’s stockholders at any annual or special meeting of the Company’s stockholders (including any adjournments or postponements thereof). Pursuant to Amendment No. 5, the Stockholder Rights Agreement was amended to (a) remove language stating that (i) the Company has the “exclusive” power and authority to administer the Stockholder Rights Agreement and (ii) all actions, calculations, interpretations and determinations necessary or advisable for the administration of the Stockholder Rights Agreement done or made by the Board of Directors of the Company in good faith are final, conclusive and binding on all parties, and (b) provide that nothing in the Stockholder Rights Agreement shall be deemed to limit or eliminate the fiduciary duties of the Board of Directors under applicable law.

In the event that a Stock Acquisition Date occurs, proper provision will be made so that each holder of a Right (other than an Acquiring Person or its associates or affiliates, whose Rights shall become null and void) will thereafter have the right to receive upon exercise, in lieu of a number of shares of Series B Preferred Stock, that number of shares of common stock of the Company (or, in certain circumstances, including if there are insufficient shares of common stock to permit the exercise in full of the Rights, Units of Series B Preferred Stock, other securities, cash or property, or any combination of the foregoing) having a market value of two times the Exercise Price of the Right (such right being referred to as the “Subscription Right”). In the event that, at any time following the Stock Acquisition Date, (i) the Company consolidates with, or merges with and into, any other person, and the Company is not the continuing or surviving corporation, (ii) any person consolidates with the Company, or merges with and into the Company and the Company is the continuing or surviving corporation of such merger and, in connection with such merger, all or part of the shares of common stock are changed into or exchanged for stock or other securities of any other person or cash or any other property, or (iii) 50% or more of the Company’s assets or earning power is sold, mortgaged or otherwise transferred, each holder of a Right (other than an Acquiring Person or its associates or affiliates, whose Rights shall become null and void) will thereafter have the right to receive, upon exercise, common stock of the acquiring company having a market value equal to two times the Exercise Price of the Right (such right being referred to as the “Merger Right”). The holder of a Right will continue to have the Merger Right whether or not such holder has exercised the Subscription Right. Rights that are or were beneficially owned by an Acquiring Person may (under certain circumstances specified in the Stockholder Rights Agreement) become null and void.

The Rights may be redeemed in whole, but not in part, at a price of \$0.01 per Right (payable in cash, common stock or other consideration deemed appropriate by the Board of Directors) by the Board of Directors only until the earlier of (i) the time at which any person becomes an Acquiring Person or (ii) the expiration date of the Stockholder Rights Agreement. Immediately upon the action of the Board of Directors ordering redemption of the Rights, the Rights will terminate and thereafter the only right of the holders of Rights will be to receive the redemption price.

The Stockholder Rights Agreement may be amended by the Board of Directors in its sole discretion at any time prior to the time at which any person becomes an Acquiring Person. After such time the Board of Directors may, subject to certain limitations set forth in the Stockholder Rights Agreement, amend the Stockholder Rights Agreement only to cure any ambiguity, defect or inconsistency, to shorten or lengthen any time period, or to make changes that do not adversely affect the interests of Rights holders (excluding the interests of an Acquiring Person or its associates or affiliates).

Until a Right is exercised, the holder will have no rights as a stockholder of the Company (beyond those as an existing stockholder), including the right to vote or to receive dividends. While the distribution of the Rights will not be taxable to stockholders or to the Company, stockholders may, depending upon the circumstances, recognize taxable income in the event that the Rights become exercisable for shares of common stock, other securities of the Company, other consideration or for common stock of an acquiring company.

The Stockholder Rights Agreement provides the holders of the common stock with the ability to exempt an offer to acquire, or engage in another business combination transaction involving, the Company that is deemed a “Qualifying Offer” (as defined in the Stockholder Rights Agreement) from the terms of the Stockholder Rights Agreement. A Qualifying Offer is, in summary, an offer determined by a majority of the independent members of the Board to have specific characteristics that are generally intended to preclude offers that are coercive, abusive or highly contingent. Among those characteristics are that it be: (i) a fully financed all-cash tender offer or an exchange offer offering shares of common stock of the offeror, or a combination thereof, for any and all of the common stock; and (ii) an offer that is otherwise in the best interests of the Company’s stockholders. The Stockholder Rights Agreement provides additional characteristics necessary for an acquisition offer to be deemed a “Qualifying Offer,” including if the consideration offered in a proposed transaction is stock of the acquirer.

Pursuant to the Stockholder Rights Agreement, if the Company receives a Qualifying Offer and the Board of Directors has not redeemed the outstanding Rights or exempted such Qualifying Offer from the terms of the Stockholder Rights Agreement or called a special meeting of stockholders (the “Special Meeting”) for the purpose of voting on whether to exempt such Qualifying Offer from the terms of the Stockholder Rights Agreement, in each case by the end of the 90 business day period following the commencement of such Qualifying Offer, provided such offer remains a Qualifying Offer during such period, the holders of 10% of the common stock may request that the Board call a Special Meeting to vote on a resolution authorizing the exemption of the Qualifying Offer from the terms of the Stockholder Rights Agreement. If such a Special Meeting is not held by the 90th business day following the receipt of such a request from stockholders to call a Special Meeting, the Qualifying Offer will be deemed exempt from the terms of the Stockholder Rights Agreement on the 10th business day thereafter.

20. Earnings Per Share

The following tables set forth reconciliations of the basic and diluted earnings per share computations for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Basic Earnings per Share				
Net income	\$ 21,759	\$ 54,252	\$ 43,870	\$ 70,485
Less: Income distributed to participating securities	(462)	(496)	(924)	(994)
Less: Undistributed income allocable to participating securities	(1,603)	(7,046)	(3,260)	(7,583)
Net income available to common stockholders—Basic EPS	\$ 19,694	\$ 46,710	\$ 39,686	\$ 61,908
Weighted average common shares (in thousands)	146,896	144,351	146,680	144,108
Basic earnings per share	\$ 0.13	\$ 0.32	\$ 0.27	\$ 0.43
Diluted Earnings per Share				
Net income available to common stockholders	\$ 19,694	\$ 46,710	\$ 39,686	\$ 61,908
Add back: Undistributed income allocable to participating securities	1,603	7,046	3,260	7,583
Less: Reallocation of undistributed income allocable to participating securities considered potentially dilutive	(1,561)	(6,904)	(3,182)	(7,490)
Net income available to common stockholders—Diluted EPS	\$ 19,736	\$ 46,852	\$ 39,764	\$ 62,001
Weighted Average Diluted Shares (in thousands):				
Weighted average common shares	146,896	144,351	146,680	144,108
Dilutive effect of common stock equivalents, excluding participating securities	4,312	3,464	3,962	2,047
Weighted average diluted shares, excluding participating securities (in thousands)	151,208	147,815	150,642	146,155
Diluted earnings per share	\$ 0.13	\$ 0.32	\$ 0.26	\$ 0.42

Diluted earnings per share presented above is calculated using the two-class method as this method results in the lowest diluted earnings per share amount for common stock. There were 16 and 8 antidilutive non-participating common stock equivalents for the three and six months ended June 30, 2024, respectively. Total antidilutive non-participating common stock equivalents were 157 and 208, respectively for the three and six months ended June 30, 2023 (shares herein are reported in thousands).

There were no potential common shares associated with the conversion options embedded in the Convertible Notes included in weighted average diluted shares for the three and six months ended June 30, 2024 and 2023 as the Company's average stock price was lower than the conversion price.

The following table reconciles weighted average diluted shares as reported on the Company's Consolidated Statements of Operations for the three and six months ended June 30, 2024 and 2023, which are determined pursuant to the treasury stock method, to the weighted average diluted shares used to calculate diluted earnings per share as disclosed in the table above:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Reconciliation of Weighted Average Diluted Shares (in thousands)				
Weighted average diluted shares as disclosed on the Consolidated Statements of Operations	166,359	170,672	165,872	165,468
Less: Participating securities				
Weighted average shares of common stock issuable upon conversion of the Series A Preferred Stock (Note 11)	(14,750)	(14,750)	(14,750)	(14,750)
Weighted average shares of common stock issuable upon conversion of the Series C Preferred Stock (Note 9)	—	(7,478)	—	(3,760)
Potentially dilutive restricted stock awards	(401)	(629)	(480)	(803)
Weighted average diluted shares used to calculate diluted earnings per share as disclosed in the table above	<u>151,208</u>	<u>147,815</u>	<u>150,642</u>	<u>146,155</u>

21. Income Taxes

Effective Income Tax Rate – Three and Six Months Ended June 30, 2024

The Company's effective income tax rate during the three months ended June 30, 2024 was 26.3%, resulting in income tax expense of \$7,767. The effective income tax rate differs from the federal statutory tax rate of 21% primarily due to non-deductible executive compensation, an increase in the deferred tax asset valuation allowance on losses recognized on the Company's investments and state and local income taxes. These items were partly offset by a lower tax rate on foreign earnings.

The Company's effective income tax rate during the six months ended June 30, 2024 was 23.5% resulting in income tax expense of \$13,468. The effective income tax rate differs from the federal statutory tax rate of 21% primarily due to non-deductible executive compensation and state and local income taxes. These items were partly offset by a lower tax rate on foreign earnings and tax windfalls associated with the vesting of stock-based compensation awards.

Effective Income Tax Rate – Three and Six Months Ended June 30, 2023

The Company's effective income tax rate during the three months ended June 30, 2023 was 6.1%, resulting in income tax expense of \$3,555. The effective income tax rate differs from the federal statutory tax rate of 21% primarily due to a non-taxable gain on revaluation/termination of deferred consideration—gold payments and a decrease in the deferred tax asset valuation allowance on losses recognized on the Company's investments. These items were partly offset by non-deductible executive compensation.

The Company's effective income tax rate during the six months ended June 30, 2023 was 6.5%, resulting in income tax expense of \$4,938. The effective income tax rate differs from the federal statutory tax rate of 21% primarily due to a non-taxable gain on revaluation/termination of deferred consideration—gold payments, a \$1,353 reduction in unrecognized tax benefits (including interest and penalties) and a lower tax rate on foreign earnings. These items were partly offset by a non-deductible loss on extinguishment of our convertible notes, non-deductible executive compensation and an increase in the deferred tax asset valuation allowance on losses recognized on our investments.

Deferred Tax Assets

A summary of the components of the Company's deferred tax assets at June 30, 2024 and December 31, 2023 is as follows:

	June 30, 2024	December 31, 2023
Deferred tax assets:		
Capital losses	\$ 22,380	\$ 22,489
Accrued expenses	3,120	6,000
Stock-based compensation	1,517	2,468
NOLs—Foreign	1,327	1,502
Goodwill and intangible assets	800	895
Unrealized losses	278	335
Foreign currency translation adjustment	247	146
Operating lease liabilities	206	96
Software capitalization	113	52
NOLs—U.S.	—	127
Other	411	349
Total deferred tax assets	<u>30,399</u>	<u>34,459</u>
Deferred tax liabilities:		
Fixed assets and prepaid assets	568	296
Unremitted earnings—European subsidiaries	181	186
Right of use assets—operating leases	206	96
Total deferred tax liabilities:	<u>955</u>	<u>578</u>
Total deferred tax assets less deferred tax liabilities	29,444	33,881
Less: Valuation allowance	(22,658)	(22,824)
Deferred tax assets, net	<u>\$ 6,786</u>	<u>\$ 11,057</u>

Capital Losses – U.S.

The Company's tax effected capital losses at June 30, 2024 were \$22,380. These capital losses expire between the years 2024 and 2029.

Net Operating Losses – Europe

One of the Company's European subsidiaries generated net operating losses ("NOLs") outside the U.S. These tax effected NOLs, all of which are carried forward indefinitely, were \$1,327 at June 30, 2024.

Valuation Allowance

The Company's valuation allowance has been established on its net capital losses, as it is more-likely-than-not that these deferred tax assets will not be realized.

Income Tax Examinations

The Company is subject to U.S. federal income tax as well as income tax of multiple state, local and certain foreign jurisdictions. As of June 30, 2024, with few exceptions, the Company was no longer subject to income tax examinations by any taxing authority for the years before 2019.

Undistributed Earnings of Foreign Subsidiaries

ASC 740-30 Income Taxes provides guidance that U.S. companies do not need to recognize tax effects on foreign earnings that are indefinitely reinvested. The Company repatriates earnings of its foreign subsidiaries and therefore has recognized a deferred tax liability of \$181 and \$186 at June 30, 2024 and December 31, 2023, respectively.

22. Shares Repurchased

On February 22, 2022, the Company's Board of Directors approved an increase of \$85,709 to the Company's share repurchase program to \$100,000 and extended the term for three years through April 27, 2025. Included under the Company's share repurchase program are purchases to offset future equity grants made under the Company's equity plans and purchases made in open market or privately negotiated transactions. This authority may be exercised from time to time, subject to regulatory considerations. The timing and actual number of shares repurchased will depend on a variety of factors including price, corporate and regulatory requirements, market conditions and other corporate liquidity requirements and priorities. The repurchase program may be suspended or terminated at any time without prior notice. Shares repurchased under this program are returned to the status of authorized and unissued on the Company's books and records.

The Company repurchased zero and 1,096,278 shares, respectively, of its common stock under this program during the three and six months ended June 30, 2024 and 26,582 and 631,087 shares, respectively, during the comparable periods in 2023. The aggregate cost of the shares repurchased during the three and six months ended June 30, 2024 was \$0 and \$7,820, respectively, and the aggregate cost of the shares repurchased during the comparable periods in 2023 was \$156 and \$3,540, respectively. Shares repurchased under this program were returned to the status of authorized and unissued on the Company's books and records.

As of June 30, 2024, \$88,585 remained under this program for future purchases.

23. Goodwill and Intangible Assets

Goodwill

The table below sets forth goodwill which is tested annually for impairment on November 30th:

	Total
Balance at January 1, 2024	\$ 86,841
Changes	—
Balance at June 30, 2024	<u>\$ 86,841</u>

Of the total goodwill of \$86,841 at June 30, 2024, \$85,042 is not deductible for tax purposes as the acquisitions that gave rise to the goodwill were structured as stock acquisitions. The remainder of the goodwill is deductible for U.S. tax purposes.

Intangible Assets

The table below sets forth the Company's intangible assets which are tested annually for impairment on November 30th:

Item	Balance at June 30, 2024		
	Gross Asset	Accumulated Amortization	Net Asset
ETFs Acquisition	\$ 601,247	\$ —	\$ 601,247
Software development	5,703	(1,370)	4,333
Balance at June 30, 2024	<u>\$ 606,950</u>	<u>\$ (1,370)</u>	<u>\$ 605,580</u>

Item	Balance at December 31, 2023		
	Gross Asset	Accumulated Amortization	Net Asset
ETFs Acquisition	\$ 601,247	\$ —	\$ 601,247
Software development	4,519	(684)	3,835
Balance at December 31, 2023	<u>\$ 605,766</u>	<u>\$ (684)</u>	<u>\$ 605,082</u>

ETFs Acquisition (Indefinite-Lived)

In connection with the ETFs Acquisition, which was completed on April 11, 2018, the Company identified intangible assets valued at \$601,247 related to the right to manage AUM through customary advisory agreements. These intangible assets were determined to have indefinite useful lives and are not deductible for tax purposes.

Software Development (Finite-Lived)

Internally-developed software is amortized over a useful life of three years. The Company recognized amortization expense on internally-developed software of \$359 and \$686, respectively, during the three and six months ended June 30, 2024 and \$106 and \$156, respectively, during the comparable periods in 2023.

As of June 30, 2024, expected amortization expense for the unamortized finite-lived intangible assets for the next five years and thereafter is as follows:

Remainder of 2024	\$ 835
2025	1,852
2026	1,271
2027	375
2028 and thereafter	—
Total expected amortization expense	<u>\$ 4,333</u>

The weighted-average remaining useful life of the finite-lived intangible assets is 2.1 years.

24. Contingent Payments

Sale of Canadian ETF Business

During the three and six months ended June 30, 2023, the Company recognized a gain of \$0 and \$1,477, respectively, from remeasuring a contingent payment to its realizable value. This gain was recorded in other losses and gains, net.

25. Impairments

During the three and six months ending June, 30, 2023, the Company recognized an impairment of \$0 and \$4,900, respectively, on its investment in Securrency, Inc. to reduce the carrying value of its investment to fair value.

26. Segment Information

The Company, through its subsidiaries in the U.S. and Europe, is a global financial innovator, offering a well-diversified suite of ETPs, models, solutions and products leveraging blockchain technology. The Company conducts business as a single operating segment as an ETP sponsor and asset manager, which is based upon the Company's current organizational and management structure, as well as information used by the CODM to allocate resources and other factors. The accounting policies of the segment are the same as those described in Note 2.

The key measures of segment profit or loss that the CODM uses to allocate resources and assess performance are the Company's consolidated adjusted operating income and adjusted operating income margin, which are exclusive of items that are non-recurring or not core to the Company's operating business. The table below shows a reconciliation of the Company's operating income and operating income margin as computed under U.S. GAAP to the Company's Non-GAAP adjusted operating income and adjusted operating income margin utilized by the CODM:

	<u>Three Months Ended</u> <u>June 30,</u>		<u>Six Months Ended</u> <u>June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Operating revenues	\$ 107,034	\$ 85,724	\$ 203,872	\$ 167,768
Operating income	33,511	18,181	61,461	34,752
Add back: Expenses incurred in response to an activist campaign	4,271	4,913	4,966	5,880
Adjusted operating income	<u>\$ 37,782</u>	<u>\$ 23,094</u>	<u>\$ 66,427</u>	<u>\$ 40,632</u>
Operating income margin	<u>31.3%</u>	<u>21.2%</u>	<u>30.1%</u>	<u>20.7%</u>
Adjusted operating income margin	<u>35.3%</u>	<u>26.9%</u>	<u>32.6%</u>	<u>24.2%</u>

The CODM also uses net income, as reported on the Consolidated Statements of Operations, as an additional measure when determining investments for growth initiatives and the Company's ability to pay dividends. Assets provided to the CODM are consistent with those reported on the Consolidated Balance Sheets with particular emphasis on the Company's available liquidity, including its cash, cash equivalents and restricted cash, financial instruments owned, accounts receivable and securities held-to-maturity, reduced by current liabilities, seed capital and regulatory capital requirements.

There are no intra-entity sales or transfers and no significant expense categories regularly provided to the CODM beyond those disclosed in the Consolidated Statements of Operations. The CODM manages the business using consolidated expense information, adjusted for items that are non-recurring or not core to the Company's operating business as disclosed in the table above, as well as regularly provided budgeted or forecasted expense information for the single operating segment.

Information related to the Company's products and services and geographical distribution of revenues is disclosed in Note 16.

27. Subsequent Events

The Company evaluated subsequent events through the date of issuance of the accompanying consolidated financial statements. There were no events requiring disclosure.

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

The following discussion and analysis of our financial condition and results of operations should be read together with our consolidated financial statements and the related notes and the other financial information included elsewhere in this Report. In addition to historical consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to these differences include those discussed below. For a more complete description of the risks noted above and other risks that could cause our actual results to materially differ from our current expectations, please see Item 1A "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2024. We assume no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

Executive Summary

We are a global financial innovator, offering a well-diversified suite of ETPs, models, solutions and products leveraging blockchain technology. We empower investors and consumers to shape their future and support financial professionals to better serve their clients and grow their businesses. We are leveraging the latest financial infrastructure to create products that provide access, transparency and an enhanced user experience. Building on our heritage of innovation, we are also developing and have launched next-generation digital products, services and structures, including Digital Funds and tokenized assets, as well as our blockchain-native digital wallet, WisdomTree Prime. WisdomTree Prime is available in the U.S. in 44 states and to approximately 79% of the U.S. population.

We had approximately \$109.7 billion in AUM as of June 30, 2024. Our family of ETPs includes products that provide exposure to equities, fixed income, commodities, leveraged-and-inverse, currency, cryptocurrency and alternatives strategies. We have launched many first-to-market products and pioneered alternative weighting we call "Modern Alpha," which combines the outperformance potential of active management with the benefits of passive management to offer investors cost-effective funds that are built to perform. Most of our equity-based funds employ a fundamentally weighted investment methodology, which weights securities based on factors such as dividends, earnings or investment factors, whereas most other industry indexes use a capitalization weighted methodology. These products are distributed through all major channels in the asset management industry, including banks, brokerage firms, registered investment advisers, institutional investors, private wealth managers and online brokers primarily through our sales force. We believe technology is altering the way financial advisors conduct business and through our Advisor and Portfolio Solutions programs we offer technology-enabled and research-driven solutions including portfolio construction, asset allocation, practice management services and digital tools to help financial advisors address technology challenges and grow and scale their businesses.

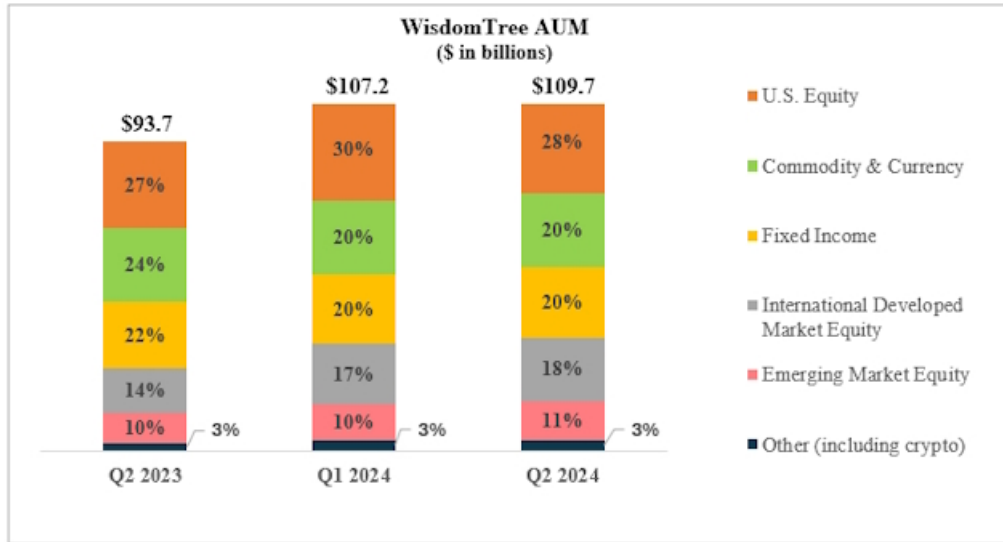
We are at the forefront of innovation and believe that tokenization and leveraging the utility of blockchain technology is the next evolution in financial services. We are building the foundation that we believe will allow us to lead in this coming evolution. WisdomTree Prime, our blockchain-native digital wallet, positions us to expand our blockchain-enabled financial product and services offerings with a new direct-to-consumer channel where spending, saving and investing are united. As we continue to pursue our digital assets strategy, we are embracing what we refer to as "responsible DeFi," which we believe upholds the foundational principles of regulation in this innovative and quickly evolving space. We believe that our expansion into digital assets and blockchain-enabled finance complements our existing core competencies in a holistic manner and will diversify our revenue streams and contribute to our growth.

We were incorporated under the laws of the state of Delaware on September 19, 1985 as Financial Data Systems, Inc. and were ultimately renamed WisdomTree, Inc. on November 7, 2022.

Assets Under Management

WisdomTree ETPs

We offer ETPs covering equities, commodities and currency, fixed income, leveraged-and-inverse, cryptocurrency and alternatives. The chart below sets forth the asset mix of our ETPs at June 30, 2024, March 31, 2024 and June 30, 2023:



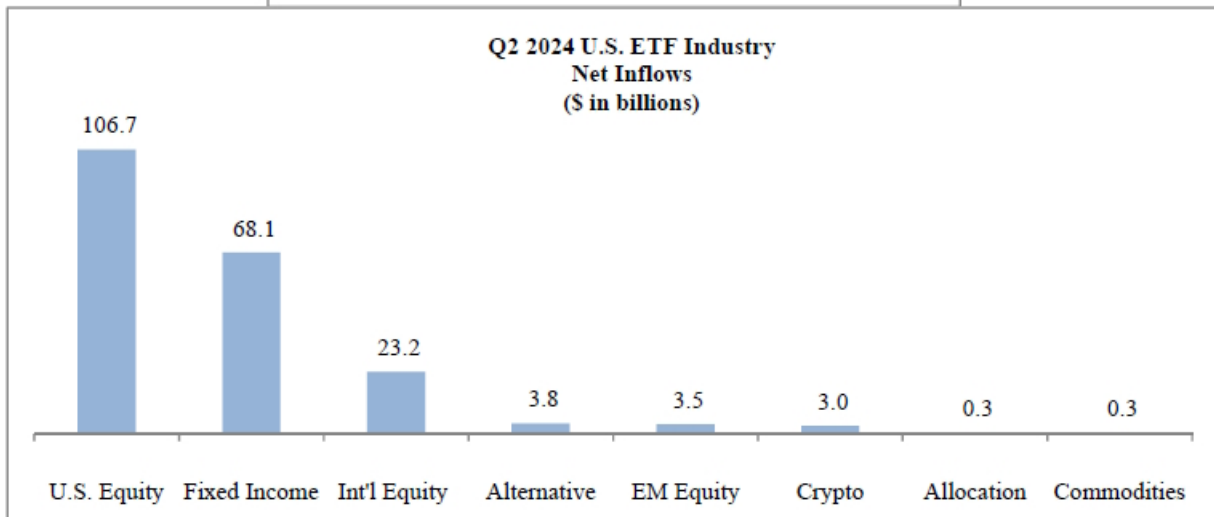
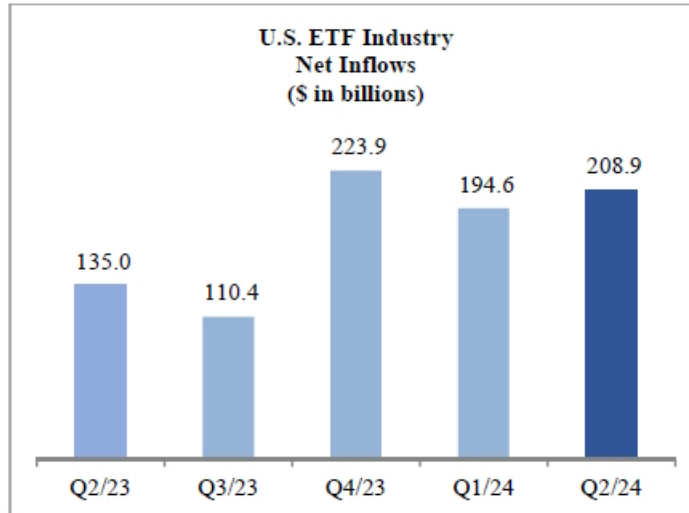
Market Environment

Emerging markets outperformed developed markets in the second quarter of 2024. U.S. shares gained, led higher by the information technology and communication service sectors. Annual U.S. inflation eased slightly and the labor market remained strong. Eurozone shares moved lower in the second quarter of 2024 amid political uncertainty and sticky inflation.

The S&P 500, MSCI EAFE Index (local currency), MSCI EMU Index (local currency), MSCI Japan Index (local currency), MSCI Emerging Markets Index (U.S. dollar) and gold prices increased by 9.9%, 8.0%, 8.1%, 12.8%, 2.4% and 5.3%, respectively, during the quarter. The U.S. dollar strengthened 0.7% and 5.9% versus the euro and the Japanese yen, respectively, and weakened 0.1% versus the British pound during the quarter.

U.S. Listed ETF Industry Flows

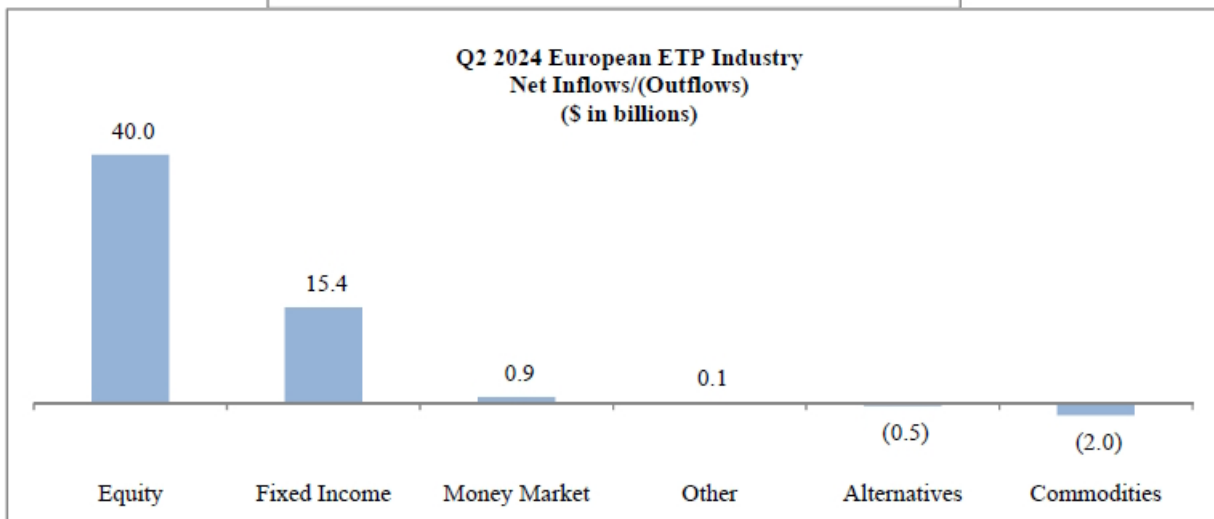
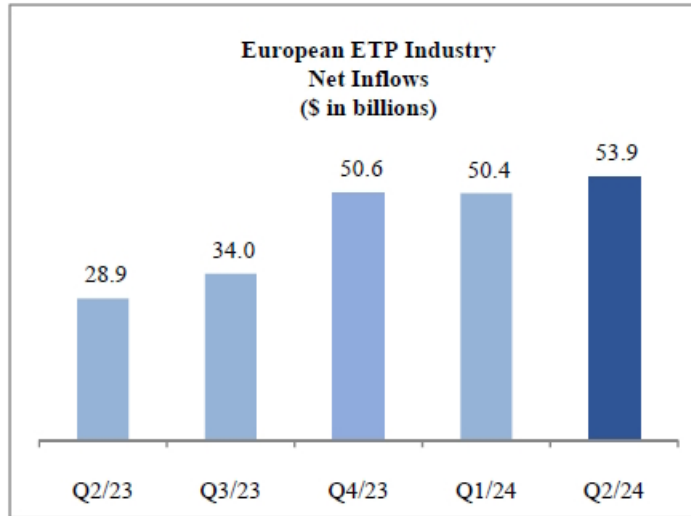
U.S. listed ETF industry net flows were \$208.9 billion for the three months ended June 30, 2024. U.S. equity and fixed income gathered the majority of those flows.



Source: Morningstar

European Listed ETP Industry Flows

European listed ETP industry net flows were \$53.9 billion for the three months ended June 30, 2024. Equity and fixed income gathered the majority of those flows.



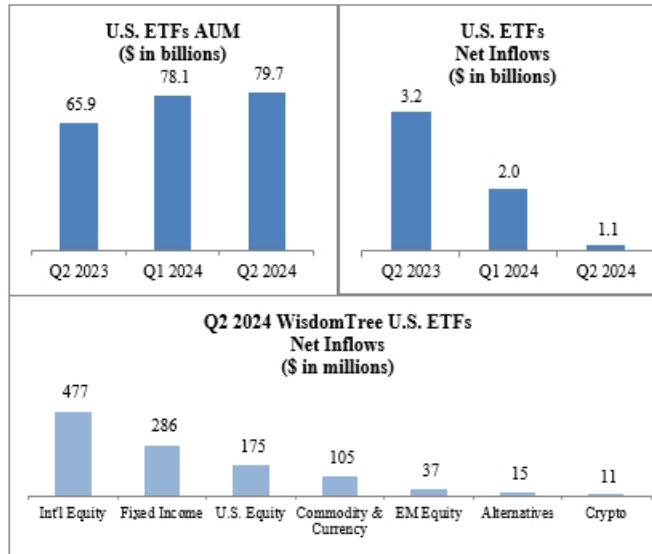
Source: Morningstar

Our Operating and Financial Results

We operate as an ETP sponsor and asset manager, providing investment advisory services globally through our subsidiaries in the U.S. and Europe.

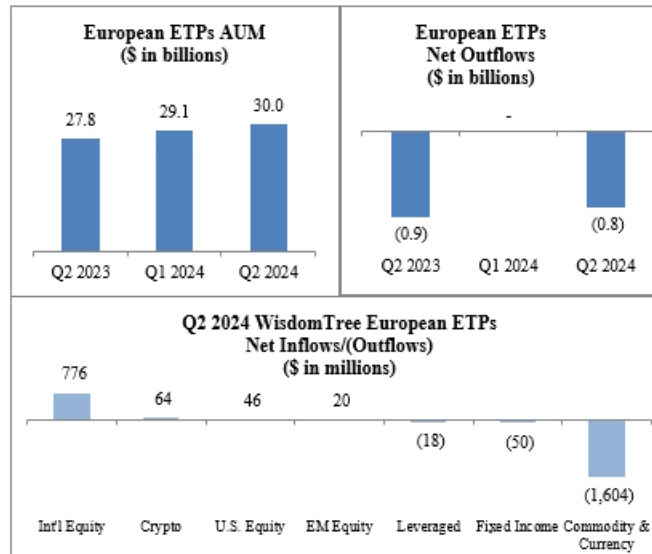
U.S. Listed ETFs

The AUM of our U.S. listed exchange traded funds, or U.S. listed ETFs, increased from \$78.1 billion at March 31, 2024 to \$79.7 billion at June 30, 2024 due to market appreciation and net inflows.



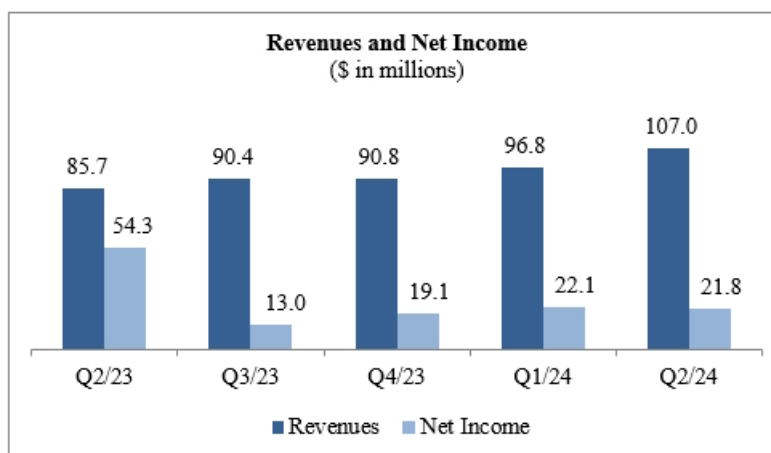
European Listed ETPs

The AUM of our European listed (including internationally cross-listed) ETPs, or European listed ETPs, increased from \$29.1 billion at March 31, 2024 to \$30.0 billion at June 30, 2024 due to market appreciation, partly offset by net outflows.



Consolidated Operating Results

The following table sets forth our revenues and net income for the most recent five quarters.



- *Revenues* – Total revenues increased 24.9% from the three months ended June 30, 2023 to \$107.0 million in the comparable period in 2024 primarily due to higher average AUM and higher other revenues attributable to our European listed products.
- *Expenses* – Total operating expenses increased 8.9% from the three months ended June 30, 2023 to \$73.5 million in the comparable period in 2024 primarily due to higher incentive and stock-based compensation expense and increased headcount, fund management and administration costs, third-party distribution fees and marketing expenses. These increases were partly offset by lower professional fees and the termination of the deferred consideration—gold payments obligation on May 10, 2023.
- *Other Income/(Expenses)* – Other income/(expenses) includes interest income and interest expense, gains on revaluation/termination of deferred consideration—gold payments, impairments and other losses and gains. Further information is provided herein.
- *Net income* – We reported net income of \$21.8 million and \$54.3 million during the three months ended June 30, 2024 and 2023, respectively.

Guidance Update for the Year Ending December 31, 2024**Compensation Expense**

Our compensation to revenue ratio for the year ending December 31, 2024 is currently estimated to range from 28% to 29% (our prior compensation expense guidance was \$108.0 million to \$118.0 million). Our estimated compensation to revenue ratio takes into consideration planned hires for 2024 and variability in incentive compensation, with drivers including the magnitude of flows, revenues and operating income growth, margin expansion and share price performance in relation to our peers.

Discretionary Spending

Discretionary spending includes marketing, sales, professional fees, occupancy and equipment, depreciation and amortization and other expenses. During the six months ended June 30, 2024, discretionary spending was \$30.5 million. We currently estimate discretionary spending for the year ending December 31, 2024 to range from \$64.0 million to \$68.0 million (unchanged from our guidance range provided last quarter). Due to seasonality, the discretionary spend for the remainder of the year will likely be more skewed toward the fourth quarter.

Not included in the guidance above are non-recurring expenses in response to an activist campaign, including \$5.0 million incurred during the six months ended June 30, 2024.

Gross Margin

We define gross margin as total operating revenues less fund management and administration expenses. Gross margin percentage is calculated as gross margin divided by total operating revenues. Our gross margin was 80.3% during the six months ended June 30, 2024 and we have updated our gross margin guidance for the year ending December 31, 2024 to be between 80% and 81% (previously 79.0% to 80.0%) considering current AUM levels and higher forecasted other revenues going forward. If AUM increases from continued organic flow growth or favorable market conditions, we would anticipate further gross margin expansion.

Third-Party Distribution Fees

We currently estimate third-party distribution fees to range from \$10.0 million to \$11.0 million (unchanged from our guidance range provided last quarter), which is dependent upon the AUM growth on our respective platforms.

Interest Expense

We currently estimate our interest expense for the year ending December 31, 2024 to be \$16.5 million, which is inclusive of approximately \$2.6 million of interest cost we are required to impute under U.S. GAAP related to our interest-free financing of the shares of Series C Non-Voting Convertible Preferred Stock (the “Series C Preferred Stock”) we repurchased from GBH in November 2023.

Interest Income

We currently estimate our interest income for the year ending December 31, 2024 to be \$5.0 million, based upon the magnitude of our forecasted interest earning assets.

Income Tax Expense

We currently estimate that our consolidated normalized effective tax rate will be 24.0% to 25.0% (unchanged from our guidance range provided last quarter) taking into consideration the current distribution of profits among our U.S. and European businesses.

This estimated rate may change and is dependent upon our actual taxable income earned in relation to our forecasts as well as any other items which may arise that are not currently forecasted. Such items may include, but are not limited to, increases or decreases in valuation allowances and any stock-based compensation windfalls or shortfalls. Additional corporate tax legislation could also impact our normalized effective tax rate.

Weighted Average Diluted Shares

We currently estimate our weighted average diluted shares to be between 166.0 million and 168.0 million during the year ending December 31, 2024. This guidance does not take into consideration any variability in shares associated with our convertible notes. While our convertible notes require principal to be paid in cash, our diluted shares would need to be increased for any incremental shares associated with an exercise of the conversion option if our stock price exceeds the applicable conversion price of our convertible notes of \$9.54 per share for the 5.75% Convertible Senior Notes due 2028 and \$11.04 per share for the 3.25% Convertible Senior Notes due 2026.

Key Operating Statistics

The following table presents key operating statistics that serve as indicators for the performance of our business:

	Three Months Ended			Six Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
GLOBAL ETPs (in millions)					
Beginning of period assets	\$ 107,230	\$ 100,124	\$ 90,740	\$ 100,124	\$ 81,993
Inflows	340	1,990	2,327	2,330	8,668
Market appreciation	2,116	5,116	599	7,232	3,005
End of period assets	\$ 109,686	\$ 107,230	\$ 93,666	\$ 109,686	\$ 93,666
Average assets during the period	\$ 108,392	\$ 102,360	\$ 91,578	\$ 105,376	\$ 89,543
Average advisory fee during the period	0.37%	0.36%	0.36%	0.37%	0.36%
Number of ETPs—end of period	350	338	344	350	344
U.S. LISTED ETFs (in millions)					
Beginning of period assets	\$ 78,087	\$ 72,486	\$ 61,283	\$ 72,486	\$ 55,973
Inflows	1,106	1,983	3,249	3,089	7,261
Market appreciation	529	3,618	1,371	4,147	2,669
End of period assets	\$ 79,722	\$ 78,087	\$ 65,903	\$ 79,722	\$ 65,903
Average assets during the period	\$ 78,436	\$ 74,730	\$ 62,712	\$ 76,583	\$ 61,071
Number of ETFs – end of the period	78	77	80	78	80
EUROPEAN LISTED ETPs (in millions)					
Beginning of period assets	\$ 29,143	\$ 27,638	\$ 29,457	\$ 27,638	\$ 26,020
(Outflows)/inflows	(766)	7	(922)	(759)	1,407
Market appreciation/(depreciation)	1,587	1,498	(772)	3,085	336
End of period assets	\$ 29,964	\$ 29,143	\$ 27,763	\$ 29,964	\$ 27,763
Average assets during the period	\$ 29,956	\$ 27,630	\$ 28,866	\$ 28,793	\$ 28,472
Number of ETPs—end of period	272	261	264	272	264
PRODUCT CATEGORIES (in millions)					
U.S. Equity					
Beginning of period assets	\$ 31,670	\$ 29,156	\$ 24,534	\$ 29,156	\$ 24,112
Inflows	221	536	414	757	265
Market (depreciation)/appreciation	(57)	1,978	1,053	1,921	1,624
End of period assets	\$ 31,834	\$ 31,670	\$ 26,001	\$ 31,834	\$ 26,001
Average assets during the period	\$ 31,252	\$ 30,056	\$ 24,732	\$ 30,654	\$ 24,729
Commodity & Currency					
Beginning of period assets	\$ 21,944	\$ 21,336	\$ 24,924	\$ 21,336	\$ 22,097
(Outflows)/inflows	(1,499)	(460)	(1,513)	(1,959)	490
Market appreciation/(depreciation)	1,542	1,068	(1,027)	2,610	(203)
End of period assets	\$ 21,987	\$ 21,944	\$ 22,384	\$ 21,987	\$ 22,384
Average assets during the period	\$ 22,437	\$ 20,837	\$ 24,033	\$ 21,635	\$ 23,918
Fixed Income					
Beginning of period assets	\$ 21,218	\$ 21,197	\$ 18,708	\$ 21,197	\$ 15,273
Inflows/(outflows)	236	(14)	1,471	222	4,984
Market (depreciation)/appreciation	(24)	35	36	11	(42)
End of period assets	\$ 21,430	\$ 21,218	\$ 20,215	\$ 21,430	\$ 20,215
Average assets during the period	\$ 21,277	\$ 21,082	\$ 19,185	\$ 21,180	\$ 18,181
International Developed Market Equity					
Beginning of period assets	\$ 18,103	\$ 15,103	\$ 11,433	\$ 15,103	\$ 10,195
Inflows	1,253	1,599	1,593	2,852	2,043
Market appreciation	29	1,401	397	1,430	1,185
End of period assets	\$ 19,385	\$ 18,103	\$ 13,423	\$ 19,385	\$ 13,423
Average assets during the period	\$ 18,809	\$ 16,688	\$ 12,276	\$ 17,749	\$ 11,578

	Three Months Ended			Six Months Ended	
	June 30, 2024	March 31, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Emerging Market Equity					
Beginning of period assets	\$ 11,189	\$ 10,726	\$ 8,811	\$ 10,726	\$ 8,116
Inflows	57	217	329	274	815
Market appreciation	629	246	51	875	260
End of period assets	\$ 11,875	\$ 11,189	\$ 9,191	\$ 11,875	\$ 9,191
Average assets during the period	\$ 11,448	\$ 10,900	\$ 8,998	\$ 11,174	\$ 8,832
Leveraged & Inverse					
Beginning of period assets	\$ 1,828	\$ 1,815	\$ 1,785	\$ 1,815	\$ 1,754
(Outflows)/inflows	(18)	(50)	12	(68)	55
Market appreciation	112	63	67	175	55
End of period assets	\$ 1,922	\$ 1,828	\$ 1,864	\$ 1,922	\$ 1,864
Average assets during the period	\$ 1,905	\$ 1,792	\$ 1,798	\$ 1,849	\$ 1,778
Cryptocurrency					
Beginning of period assets	\$ 874	\$ 414	\$ 239	\$ 414	\$ 136
Inflows/(outflows)	75	158	(1)	233	12
Market (depreciation)/appreciation	(111)	302	10	191	100
End of period assets	\$ 838	\$ 874	\$ 248	\$ 838	\$ 248
Average assets during the period	\$ 856	\$ 614	\$ 236	\$ 735	\$ 213
Alternatives					
Beginning of period assets	\$ 404	\$ 377	\$ 306	\$ 377	\$ 310
Inflows	15	4	22	19	4
Market (depreciation)/appreciation	(4)	23	12	19	26
End of period assets	\$ 415	\$ 404	\$ 340	\$ 415	\$ 340
Average assets during the period	\$ 408	\$ 391	\$ 320	\$ 400	\$ 314
Headcount:	304	300	291	304	291

Note: Previously issued statistics may be restated due to fund closures and trade adjustments.

Source: WisdomTree

Three Months Ended June 30, 2024 Compared to Three Months Ended June 30, 2023

Selected Operating and Financial Information

	Three Months Ended June 30,		Change	Percent Change
	2024	2023		
AUM (in millions)				
Average AUM	\$ 108,392	\$ 91,578	\$ 16,814	18.4%
Operating Revenues (in thousands)				
Advisory fees	\$ 98,938	\$ 82,004	\$ 16,934	20.7%
Other revenues	8,096	3,720	4,376	117.6%
Total operating revenues	\$ 107,034	\$ 85,724	\$ 21,310	24.9%

Operating Revenues

Advisory fees

Advisory fee revenues increased 20.7% from \$82.0 million during the three months ended June 30, 2023 to \$98.9 million in the comparable period in 2024 primarily due to higher average AUM. Our average advisory fee was 0.36% and 0.37% during the three months ended June 30, 2023 and 2024, respectively.

Other revenues

Other revenues increased 117.6% from \$3.7 million during the three months ended June 30, 2023 to \$8.1 million in the comparable period in 2024 due to higher other revenues attributable to our European listed products.

Operating Expenses

<i>(in thousands)</i>	Three Months Ended June 30,		Change	Percent Change
	2024	2023		
Compensation and benefits	\$ 30,790	\$ 26,319	\$ 4,471	17.0%
Fund management and administration	20,139	17,727	2,412	13.6%
Marketing and advertising	5,110	4,465	645	14.4%
Sales and business development	3,640	3,326	314	9.4%
Contractual gold payments	—	1,583	(1,583)	n/a
Professional fees	6,594	8,334	(1,740)	(20.9%)
Occupancy, communications and equipment	1,314	1,172	142	12.1%
Depreciation and amortization	418	121	297	245.5%
Third-party distribution fees	2,687	1,881	806	42.8%
Other	2,831	2,615	216	8.3%
Total operating expenses	\$ 73,523	\$ 67,543	\$ 5,980	8.9%

As a Percent of Revenues:	Three Months Ended June 30,	
	2024	2023
Compensation and benefits	28.8%	30.7%
Fund management and administration	18.8%	20.7%
Marketing and advertising	4.8%	5.2%
Sales and business development	3.4%	3.9%
Contractual gold payments	n/a	1.8%
Professional fees	6.2%	9.7%
Occupancy, communications and equipment	1.2%	1.4%
Depreciation and amortization	0.4%	0.1%
Third-party distribution fees	2.5%	2.2%
Other	2.6%	3.1%
Total operating expenses	68.7%	78.8%

Compensation and benefits

Compensation and benefits expense increased 17.0% from \$26.3 million during the three months ended June 30, 2023 to \$30.8 million in the comparable period in 2024 due to higher incentive and stock-based compensation expense, as well as increased headcount. Headcount was 291 and 304 at June 30, 2023 and 2024, respectively.

Fund management and administration

Fund management and administration expense increased 13.6% from \$17.7 million during the three months ended June 30, 2023 to \$20.1 million in the comparable period in 2024 primarily due to higher average AUM. We had 80 U.S. listed ETFs and 264 European listed ETPs at June 30, 2023 compared to 78 U.S. listed ETFs and 272 European listed ETPs at June 30, 2024.

Marketing and advertising

Marketing and advertising expense increased 14.4% from \$4.5 million during the three months ended June 30, 2023 to \$5.1 million in the comparable period in 2024 primarily due to higher spending related to our U.S. listed products.

Sales and business development

Sales and business development expense increased 9.4% from \$3.3 million during the three months ended June 30, 2023 to \$3.6 million in the comparable period in 2024 primarily due to increases in travel and events spending.

Contractual gold payments

Contractual gold payments expense decreased from \$1.6 million during the three months ended June 30, 2023 to zero in the comparable period in 2024 due to the termination of our deferred consideration—gold payments obligation on May 10, 2023. See Note 9 to our Consolidated Financial Statements for additional information.

Professional fees

Professional fees expense decreased 20.9% from \$8.3 million during the three months ended June 30, 2023 to \$6.6 million in the comparable period in 2024 due to non-recurring expenses incurred during the three months ended June 30, 2023 to settle our deferred consideration—gold payments obligation and our acquisition of WisdomTree Transfers, Inc. (formerly Securrency Transfers, Inc.).

Occupancy, communications and equipment

Occupancy, communications and equipment expense was essentially unchanged from the three months ended June 30, 2023.

Depreciation and amortization

Depreciation and amortization expense increased 245.5% from \$0.1 million during the three months ended June 30, 2023 to \$0.4 million in the comparable period in 2024 due to amortization of software development costs.

Third-party distribution fees

Third-party distribution fees expense increased 42.8% from \$1.9 million during the three months ended June 30, 2023 to \$2.7 million in the comparable period in 2024 due to AUM growth we are experiencing on our various platforms and new platform relationships.

Other

Other expenses were essentially unchanged from the three months ended June 30, 2023.

Other Income/(Expenses)

<i>(in thousands)</i>	Three Months Ended June 30,		Change	Percent Change
	2024	2023		
Interest expense	\$ (4,140)	\$ (4,021)	\$ (119)	3.0%
Gain on revaluation/termination of deferred consideration— gold payments	—	41,361	(41,361)	n/a
Interest income	1,438	1,000	438	43.8%
Other losses and gains, net	(1,283)	1,286	(2,569)	(199.8%)
Total other (expenses)/income, net	\$ (3,985)	\$ 39,626	\$ (43,611)	(110.0%)

As a Percent of Revenues:	Three Months Ended June 30,	
	2024	2023
Interest expense	(3.8%)	(4.7%)
Gain on revaluation/termination of deferred consideration —gold payments	n/a	48.2%
Interest income	1.3%	1.2%
Other losses and gains, net	(1.2%)	1.5%
Total other (expenses)/income, net	(3.7%)	46.2%

Interest expense

Interest expense was essentially unchanged from the three months ended June 30, 2023. Our effective interest rate during the three months ended June 30, 2023 and 2024 was 5.0% and 4.95%, respectively.

Gain on revaluation/termination of deferred consideration—gold payments

We recognized a gain on revaluation/termination of deferred consideration—gold payments of \$41.4 million during the three months ended June 30, 2023. This obligation was settled on May 10, 2023 for approximately \$137.0 million. See Note 9 to our Consolidated Financial Statements for additional information.

Interest income

Interest income increased 43.8% from \$1.0 million during the three months ended June 30, 2023 to \$1.4 million in the comparable period in 2024 due to a higher level of interest-earning assets.

Other losses and gains, net

Other losses and gains, net were \$1.3 million and (\$1.3) million during the three months ended June 30, 2023 and 2024, respectively. The three months ended June 30, 2024 include losses of \$1.3 million and \$0.3 million on our investments and financial instruments owned, respectively. Gains and losses also generally arise from the sale of gold earned from management fees paid by our physically-backed gold ETPs, foreign exchange fluctuations and other miscellaneous items.

Income Taxes

Our effective income tax rate during the three months ended June 30, 2024 was 26.3%, resulting in income tax expense of \$7.8 million. The effective tax rate differs from the federal statutory rate of 21.0% primarily due to non-deductible executive compensation, an increase in the deferred tax asset valuation allowance on losses recognized on our investments and state and local income taxes. These items were partly offset by a lower tax rate on foreign earnings.

Our effective income tax rate for the three months ended June 30, 2023 was 6.1%, resulting in income tax expense of \$3.6 million. The effective tax rate differs from the federal statutory rate of 21% primarily due to a non-taxable gain on revaluation/termination of deferred consideration—gold payments and a decrease in the deferred tax asset valuation allowance on losses recognized on our investments. These items were partly offset by non-deductible executive compensation.

Six Months Ended June 30, 2024 Compared to Six Months Ended June 30, 2023

Selected Operating and Financial Information

	Six Months Ended June 30,		Change	Percent Change
	2024	2023		
AUM (in millions)				
Average AUM	\$ 105,376	\$ 89,543	\$ 15,833	17.7%
Operating Revenues (in thousands)				
Advisory fees	\$ 191,439	\$ 159,641	\$ 31,798	19.9%
Other revenues	12,433	8,127	4,306	53.0%
Total revenues	\$ 203,872	\$ 167,768	\$ 36,104	21.5%

Operating Revenues

Advisory fees

Advisory fee revenues increased 19.9% from \$159.6 million during the six months ended June 30, 2023 to \$191.4 million in the comparable period in 2024 primarily due to higher average AUM. Our average advisory fee was 0.36% during the six months ended June 30, 2023 and 0.37% during the comparable period in 2024.

Other revenues

Other revenues increased 53.0% from \$8.1 million during the six months ended June 30, 2023 to \$12.4 million in the comparable period in 2024 due to higher other revenues attributable to our European listed products.

Operating Expenses

(in thousands)	Six Months Ended June 30,		Change	Percent Change
	2024	2023		
Compensation and benefits	\$ 61,844	\$ 53,717	\$ 8,127	15.1%
Fund management and administration	40,101	34,880	5,221	15.0%
Marketing and advertising	9,518	8,472	1,046	12.3%
Sales and business development	7,251	6,320	931	14.7%
Contractual gold payments	—	6,069	(6,069)	n/a
Professional fees	10,224	12,049	(1,825)	(15.1%)
Occupancy, communications and equipment	2,524	2,273	251	11.0%
Depreciation and amortization	801	230	571	248.3%
Third-party distribution fees	4,994	4,134	860	20.8%
Other	5,154	4,872	282	5.8%
Total operating expenses	\$ 142,411	\$ 133,016	\$ 9,395	7.1%

As a Percent of Revenues:	Six Months Ended June 30,	
	2024	2023
Compensation and benefits	30.4%	32.0%
Fund management and administration	19.7%	20.8%
Marketing and advertising	4.7%	5.0%
Sales and business development	3.6%	3.8%
Contractual gold payments	n/a	3.6%
Professional fees	5.0%	7.2%
Occupancy, communications and equipment	1.2%	1.4%
Depreciation and amortization	0.4%	0.1%
Third-party distribution fees	2.4%	2.5%
Other	2.5%	2.9%
Total operating expenses	69.9%	79.3%

Compensation and benefits

Compensation and benefits expense increased 15.1% from \$53.7 million during the six months ended June 30, 2023 to \$61.8 million in the comparable period in 2024 due to higher incentive and stock-based compensation expense and increased headcount.

Fund management and administration

Fund management and administration expense increased 15.0% from \$34.9 million during the six months ended June 30, 2023 to \$40.1 million in the comparable period in 2024 primarily due to higher average AUM and product launches.

Marketing and advertising

Marketing and advertising expense increased 12.3% from \$8.5 million during the six months ended June 30, 2023 to \$9.5 million in the comparable period in 2024 primarily due to higher spending related to our U.S. listed products.

Sales and business development

Sales and business development expense increased 14.7% from \$6.3 million during the six months ended June 30, 2023 to \$7.3 million in the comparable period in 2024 primarily due to increases in travel and events spending.

Contractual gold payments

Contractual gold payments expense decreased from \$6.1 million during the six months ended June 30, 2023 to zero in the comparable period in 2024 due to the termination of our deferred consideration—gold payments obligation on May 10, 2023. See Note 9 to our Consolidated Financial statements for additional information.

Professional fees

Professional fees decreased 15.1% from \$12.0 million during the six months ended June 30, 2023 to \$10.2 million in the comparable period in 2024 primarily due to lower activist campaign expenses and non-recurring expenses incurred in the prior year to settle our deferred consideration—gold payments obligation and our acquisition of WisdomTree Transfers, Inc.

Occupancy, communications and equipment

Occupancy, communications and equipment expense was essentially unchanged from the six months ended June 30, 2023.

Depreciation and amortization

Depreciation and amortization expense increased 248.3% from \$0.2 million during the six months ended June 30, 2023 to \$0.8 million in the comparable period in 2024 due to amortization of software development costs.

Third-party distribution fees

Third-party distribution fees increased 20.8% from \$4.1 million during the six months ended June 30, 2023 to \$5.0 million in the comparable period in 2024 due to AUM growth we are experiencing on our various platforms and new platform relationships.

Other

Other expenses were essentially unchanged from the six months ended June 30, 2023.

Other Income/(Expenses)

<i>(in thousands)</i>	Six Months Ended June 30,		Change	Percent Change
	2024	2023		
Interest expense	\$ (8,268)	\$ (8,023)	\$ (245)	3.1%
Gain on revaluation/termination of deferred consideration— gold payments	—	61,953	(61,953)	n/a
Interest income	2,836	2,083	753	36.1%
Impairments	—	(4,900)	4,900	n/a
Loss on extinguishment of convertible notes	—	(9,721)	9,721	n/a
Other gains and losses, net	1,309	(721)	2,030	(281.6%)
Total other income/(expenses), net	\$ (4,123)	\$ 40,671	\$ (44,794)	(110.1%)

As a Percent of Revenues:	Six Months Ended June 30,	
	2024	2023
Interest expense	(4.0%)	(4.8%)
Gain on revaluation/termination of deferred consideration —gold payments	n/a	36.9%
Interest income	1.4%	1.2%
Impairments	n/a	(2.9%)
Loss on extinguishment of convertible notes	n/a	(5.8%)
Other gains and losses, net	0.6%	(0.4%)
Total other income/(expenses), net	(2.0%)	24.2%

Interest expense

Interest expense was essentially unchanged from the six months ended June 30, 2023. Our effective interest rate during the six months ended June 30, 2023 and 2024 was 4.9% and 4.95%, respectively.

Gain on revaluation/termination of deferred consideration—gold payments

We recognized a gain on revaluation/termination of deferred consideration—gold payments of \$62.0 million during the six months ended June 30, 2023. This obligation was settled on May 10, 2023 for approximately \$137.0 million. See Note 9 to our Consolidated Financial Statements for additional information.

Interest income

Interest income increased 36.1% from \$2.1 million during the six months ended June 30, 2023 to \$2.8 million in the comparable period in 2024 due to a higher level of interest-earning assets.

Impairments

During the six months ended June 30, 2023, we recognized a non-cash impairment charge of \$4.9 million on our investment in Securrency, Inc.

Loss on Extinguishment of Convertible Notes

During the six months ended June 30, 2023, we recognized a loss on extinguishment of convertible notes of \$9.7 million arising from the repurchase of \$115.0 million in aggregate principal amount of our 2020 Notes.

Other gains and losses, net

Other gains and losses, net were (\$0.7) million and \$1.3 million during the six months ended June 30, 2023 and 2024, respectively. This period includes gains on our financial instruments owned of \$1.8 million and losses on our investments of \$1.2 million. Gains and losses also generally arise from the sale of gold earned on management fees paid by our physically-backed gold ETPs, foreign exchange fluctuations and other miscellaneous items.

Income Taxes

Our effective income tax rate for the six months ended June 30, 2024 was 23.5%, resulting in an income tax expense of \$13.5 million. Our tax rate differs from the federal statutory rate of 21% primarily due to non-deductible executive compensation and state and local income taxes. These items were partly offset by a lower tax rate on foreign earnings and tax windfalls associated with the vesting of stock-based compensation awards.

Our effective income tax rate for the six months ended June 30, 2023 was 6.5%, resulting in an income tax expense of \$4.9 million. Our tax rate differs from the federal statutory rate of 21% primarily due to a non-taxable gain on revaluation/termination of deferred consideration—gold payments, a reduction in unrecognized tax benefits associated with the release of the tax-related indemnification asset and a lower tax rate on foreign earnings. These items were partly offset by a non-deductible loss on extinguishment of our convertible notes during the first quarter of 2023, non-deductible executive compensation and an increase in the deferred tax asset valuation allowance on losses recognized on our investments.

Non-GAAP Financial Measurements

In an effort to provide additional information regarding our results as determined by GAAP, we also disclose certain non-GAAP information which we believe provides useful and meaningful information. Our management reviews these non-GAAP financial measurements when evaluating our financial performance and results of operations; therefore, we believe it is useful to provide information with respect to these non-GAAP measurements so as to share this perspective of management. Non-GAAP measurements do not have any standardized meaning, do not replace nor are superior to GAAP financial measurements and are unlikely to be comparable to similar measures presented by other companies. These non-GAAP financial measurements should be considered in the context with our GAAP results. The non-GAAP financial measurements contained in this Report include:

Adjusted Net Income and Diluted Earnings per Share

We disclose adjusted net income and diluted earnings per share as non-GAAP financial measurements in order to report our results exclusive of items that are non-recurring or not core to our operating business. We believe presenting these non-GAAP financial measurements provides investors with a consistent way to analyze our performance. These non-GAAP financial measurements exclude the following:

- *Unrealized gains or losses on revaluation/termination of deferred consideration—gold payments:* Deferred consideration—gold payments was an obligation we assumed in connection with the ETFS Acquisition that was carried at fair value. This item represented the present value of an obligation to pay fixed ounces of gold into perpetuity and is measured using forward-looking gold prices. Changes in the forward-looking price of gold and changes in the discount rate used to compute the present value of the annual payment obligations have had a material impact on the carrying value of the deferred consideration and our reported financial results. We exclude this item when calculating our non-GAAP financial measurements as it was not core to our operating business. The item was not adjusted for income taxes as the obligation was assumed by a wholly-owned subsidiary of ours that is based in Jersey, a jurisdiction where we are subject to a zero percent tax rate. During the second quarter of 2023, we terminated this obligation for aggregate consideration totaling approximately \$137.0 million.
- *Gains or losses on financial instruments owned:* We account for our financial instruments owned as trading securities, which requires these instruments to be measured at fair value with gains and losses reported in net income. We exclude these items when calculating our non-GAAP financial measurements as the gains and losses introduce volatility in earnings and are not core to our operating business.
- *Tax windfalls and shortfalls upon vesting of stock-based compensation awards:* GAAP requires the recognition of tax windfalls and shortfalls within income tax expense. These items arise upon the vesting of stock-based compensation awards and the magnitude is directly correlated to the number of awards vesting as well as the difference between the price of our stock on the date the award was granted and the date the award vested. We exclude these items when calculating our non-GAAP financial measurements as they introduce volatility in earnings and are not core to our operating business.
- *Imputed interest on our payable to GBH:* During the fourth quarter of 2023, we repurchased our Series C Preferred Stock, which was convertible into approximately 13.1 million shares of our common stock, from GBH for aggregate cash consideration of approximately \$84.4 million. Under the terms of the transaction, we paid GBH \$40.0 million on the closing date, with the remainder of the purchase price payable in equal, interest-free installments on the first, second and third anniversaries of the closing date. Under U.S. GAAP, the obligation is recorded at its present value utilizing a market rate of interest on the closing date of 7.0% and the corresponding discount is amortized as interest expense pursuant to the effective interest method of accounting over the life of the obligation. We exclude this item when calculating our non-GAAP financial measurements as recognition of interest expense is non-cash and contrary to the stated terms of our obligation.

- *Other items:* Gains and losses recognized on our investments, changes in deferred tax asset valuation allowance, expenses incurred in response to an activist campaign, loss on extinguishment of convertible notes, impairments, remeasurement of contingent consideration payable to us from the sale of our former Canadian ETF business, and litigation expenses associated with certain provisions of our Stockholder Rights Agreement, dated as of March 17, 2023, as amended, are excluded when calculating our non-GAAP financial measurements.

	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Adjusted Net Income and Diluted Earnings per Share:				
Net income, as reported	\$ 21,759	\$ 54,252	\$ 43,870	\$ 70,485
Deduct: Gain on revaluation/termination of deferred consideration—gold payments	—	(41,361)	—	(61,953)
Add back: Expenses incurred in response to an activist campaign, net of income taxes	3,234	3,720	3,760	4,452
Add back/(deduct): Losses/(gains) recognized on our investments, net of income taxes	998	(2,346)	905	620
Add back: Imputed interest on payable to GBH, net of income taxes	513	—	1,017	—
Add back/(deduct): Increase/(decrease) in deferred tax asset valuation allowance on financial instruments owned and investments	391	(508)	(140)	(31)
Add back/(deduct): Losses/(gains) on financial instruments owned, net of income taxes	220	762	(1,342)	(717)
(Deduct)/add back: Tax (windfalls)/shortfalls upon vesting and exercise of stock-based compensation awards	(40)	33	(739)	(152)
Add back: Litigation expenses associated with certain provisions of the Stockholder Rights Agreement, net of income taxes	—	367	—	367
Add back: Loss on extinguishment of convertible notes, net of income taxes	—	—	—	9,623
Add back: Impairments, net of income taxes (where applicable)	—	—	—	4,900
Deduct: Remeasurement of contingent consideration—sale of Canadian ETF business	—	—	—	(1,477)
Adjusted net income	\$ 27,075	\$ 14,919	\$ 47,331	\$ 26,117
Deduct: Income distributed to participating securities	(462)	(496)	(924)	(994)
Deduct: Undistributed income allocable to participating securities	(2,053)	(1,410)	(3,506)	(2,028)
Adjusted net income available to common stockholders	\$ 24,560	\$ 13,013	\$ 42,901	\$ 23,095
Weighted average diluted shares, excluding participating securities (in thousands) (See Note 20 to our Consolidated Financial Statements)	151,208	147,815	150,642	146,155
Adjusted earnings per share – diluted	\$ 0.16	\$ 0.09	\$ 0.28	\$ 0.16

Liquidity and Capital Resources

The following table summarizes key data regarding our liquidity, capital resources and use of capital to fund our operations:

	June 30, 2024	December 31, 2023
Balance Sheet Data (in thousands):		
Cash, cash equivalents and restricted cash	\$ 132,459	\$ 129,305
Financial instruments owned, at fair value	69,783	58,722
Accounts receivable	42,664	35,473
Securities held-to-maturity	218	230
Total: Liquid assets	245,124	223,730
Less: Total current liabilities	(84,688)	(103,216)
Less: Other assets—seed capital (WisdomTree Digital Funds)	(19,890)	(18,308)
Less: Regulatory capital requirements	(36,964)	(29,156)
Total: Available liquidity	\$ 103,582	\$ 73,050

	Six Months Ended June 30,	
	2024	2023
Cash Flow Data (in thousands):		
Operating cash flows	\$ 31,172	\$ 20,029
Investing cash flows	(9,699)	51,936
Financing cash flows	(17,693)	(121,109)
Foreign exchange rate effect	(626)	778
Increase/(decrease) in cash, cash equivalents and restricted cash	\$ 3,154	\$ (48,366)

Liquidity

We consider our available liquidity to be our liquid assets, less our current liabilities, seed capital in WisdomTree Digital Funds and regulatory capital requirements of certain of our subsidiaries. Liquid assets consist of cash, cash equivalents and restricted cash, financial instruments owned, at fair value, accounts receivable and securities held-to-maturity. Our financial instruments owned, at fair value are highly liquid investments. Accounts receivable are current assets and primarily represent receivables from advisory fees we earn from our ETPs. Our current liabilities consist primarily of payments owed to vendors and third parties in the normal course of business, accrued incentive compensation for employees and the current portion of our payable to GBH.

Cash, cash equivalents and restricted cash increased by \$3.2 million during the six months ended June 30, 2024 due to \$14.2 million used to purchase financial instruments owned, at fair value, \$9.9 million used to pay dividends, \$7.8 million used to repurchase our common stock, \$1.2 million used to pay for software development and \$0.7 million used for other activities. These decreases were partly offset by \$31.2 million provided by operating activities, \$5.3 million of proceeds from the sale of financial instruments owned, at fair value, and \$0.5 million of proceeds from the exit from our investment in Securrency, Inc.

Cash and cash equivalents decreased by \$48.3 million during the six months ended June 30, 2023 due to \$184.3 million used to repurchase and settle at maturity our convertible notes, \$50.0 million used to settle our deferred consideration—gold payments obligation, \$40.5 million used to purchase financial instruments owned, at fair value, \$10.0 million used to purchase investments, \$9.7 million used to pay dividends, \$3.5 million used to repurchase our common stock, \$3.5 million used for convertible notes issuance costs and \$1.0 million used to acquire Securrency Transfers, Inc (renamed WisdomTree Transfers, Inc.). These decreases were partly offset by \$130.0 million of proceeds from the issuance of convertible notes, \$102.0 million of proceeds from the sale of financial instruments owned, at fair value, \$20.0 million provided by operating activities, \$1.5 million from receipt of contingent consideration and \$0.7 million from other activities.

Issuance of Convertible Notes

On February 14, 2023, we issued and sold \$130.0 million in aggregate principal amount of 5.75% Convertible Senior Notes due 2028 (the “2023 Notes”) pursuant to an indenture dated February 14, 2023, between us and U.S. Bank Trust Company, National Association, as trustee, in a private offering to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended (“Rule 144A”).

On June 14, 2021, we issued and sold \$150.0 million in aggregate principal amount of 3.25% Convertible Senior Notes due 2026 (the “2021 Notes”) pursuant to an indenture dated June 14, 2021, between us and the trustee, in a private offering to qualified institutional buyers pursuant to Rule 144A.

On June 16, 2020, we issued and sold \$150.0 million in aggregate principal amount of 4.25% Convertible Senior Notes due 2023 (the “June 2020 Notes”) pursuant to an indenture dated June 16, 2020, between us and the trustee, in a private offering to qualified institutional buyers pursuant to Rule 144A. On August 13, 2020, we issued and sold \$25.0 million in aggregate principal amount of 4.25% Convertible Senior Notes due 2023 at a price equal to 101% of the principal amount thereof, plus interest deemed to have accrued since June 16, 2020, which constituted a further issuance of, and formed a single series with, our June 2020 Notes (the “August 2020 Notes” and together with the June 2020 Notes, the “2020 Notes”).

In connection with the issuance of the 2023 Notes, we repurchased \$115.0 million in aggregate principal amount of the 2020 Notes. As a result of this repurchase, we recognized a loss on extinguishment of approximately \$9.7 million during the three months ended March 31, 2023. The remainder of the 2020 Notes matured on June 15, 2023 and were settled for approximately \$59.9 million of cash and approximately 1.0 million shares of our common stock.

After the repurchase and settlement at maturity of the 2020 Notes and the issuance of the 2023 Notes (such 2023 Notes, together with the 2021 Notes, the “Convertible Notes”), we had \$280.0 million in aggregate principal amount of Convertible Notes outstanding.

Key terms of the Convertible Notes are as follows:

	2023 Notes	2021 Notes
Principal outstanding	\$130.0	\$150.0
Maturity date (unless earlier converted, repurchased or redeemed)	August 15, 2028	June 15, 2026
Interest rate	5.75%	3.25%
Conversion price	\$9.54	\$11.04
Conversion rate	104.8658	90.5797
Redemption price	\$12.40	\$14.35

- *Interest rate:* Payable semiannually in arrears on February 15 and August 15 of each year for the 2023 Notes (beginning on August 15, 2023) and on June 15 and December 15 of each year for the 2021 Notes.
- *Conversion price:* Convertible at an initial conversion rate set forth in the table above into shares of our common stock, per \$1,000 principal amount of notes (equivalent to an initial conversion price set forth in the table above), subject to adjustment.
- *Conversion:* Holders may convert at their option at any time prior to the close of business on the business day immediately preceding May 15, 2028 and March 15, 2026 for the 2023 Notes and the 2021 Notes, respectively, only under the following circumstances: (i) if the last reported sale price of our common stock for at least 20 trading days during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price for the respective Convertible Notes on each applicable trading day; (ii) during the five business day period after any ten consecutive trading day period (the “measurement period”) in which the trading price per \$1,000 principal amount of the Convertible Notes for each trading day of the measurement period was less than 98% of the product of the last reported sales price of our common stock and the conversion rate on each such trading day; (iii) upon a notice of redemption delivered by us in accordance with the terms of the indentures but only with respect to the Convertible Notes called (or deemed called) for redemption; or (iv) upon the occurrence of specified corporate events. On or after May 15, 2028 and March 15, 2026 in respect of the 2023 Notes and the 2021 Notes, respectively, until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert their Convertible Notes at any time, regardless of the foregoing circumstances.
- *Cash settlement of principal amount:* Upon conversion, we will pay cash up to the aggregate principal amount of the Convertible Notes to be converted. At our election, we will also settle our conversion obligation in excess of the aggregate principal amount of the Convertible Notes being converted in either cash, shares of our common stock or a combination of cash and shares of its common stock.
- *Redemption price:* We may redeem for cash all or any portion of the Convertible Notes, at our option, on or after August 20, 2025 and June 20, 2023 in respect of the 2023 Notes and the 2021 Notes, respectively, and on or prior to the 55th scheduled trading day immediately preceding the maturity date, if the last reported sale price of our common stock has been at least 130% of the conversion price for the respective Convertible Notes then in effect for at least 20 trading days, including the trading day immediately preceding the date on which we provide notice of redemption, during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which we provide notice of redemption, at a redemption price equal to 100% of the principal amount of the notes to be redeemed, plus accrued and unpaid interest to, but excluding the redemption date. No sinking fund is provided for the Convertible Notes.
- *Limited investor put rights:* Holders of the Convertible Notes have the right to require us to repurchase for cash all or a portion of their notes at 100% of their principal amount, plus any accrued and unpaid interest, upon the occurrence of certain change of control transactions or liquidation, dissolution or common stock delisting events.
- *Conversion rate increase in certain customary circumstances:* In certain circumstances, conversions in connection with a “make-whole fundamental change” (as defined in the indentures) or conversions of Convertible Notes called (or deemed called) for redemption may result in an increase to the conversion rate, provided that the conversion rate will not exceed 167.7853 shares and 144.9275 shares of our common stock per \$1,000 principal amount of the 2023 Notes and the 2021 Notes, respectively (the equivalent of 43,551,214 shares of our common stock in the aggregate), subject to adjustment.
- *Seniority and Security:* The 2023 Notes and 2021 Notes rank equal in right of payment, and are our senior unsecured obligations, but are subordinated in right of payment to our obligations to make certain redemption payments (if and when due) in respect of our Series A Preferred Stock (See Note 11 to our Consolidated Financial Statements).

The indentures contain customary terms and covenants, including that upon certain events of default occurring and continuing, either the trustee or the respective holders of not less than 25% in aggregate principal amount of the respective series of Convertible Notes outstanding may declare the entire principal amount of all such respective Convertible Notes to be repurchased, plus any accrued special interest, if any, to be immediately due and payable.

Capital Resources

Our principal source of financing is our operating cash flow. We believe that current cash flows generated by our operating activities and existing cash balances should be sufficient for us to fund our operations for the foreseeable future.

Our ability to satisfy our contractual obligations as they arise are discussed in the section titled “Contractual Obligations” below.

Use of Capital

Our business does not require us to maintain a significant cash position. However, certain of our subsidiaries are required to maintain a minimum level of regulatory capital, which at June 30, 2024 was approximately \$37.0 million in the aggregate. Notwithstanding these regulatory capital requirements, we expect that our main uses of cash will be to fund the ongoing operations of our business. We also maintain a capital return program which includes a \$0.03 per share quarterly cash dividend and authority to purchase our common stock through April 27, 2025, including purchases to offset future equity grants made under our equity plans and purchases made in open market or privately negotiated transactions.

During the six months ended June 30, 2024, we repurchased 1,096,278 shares of our common stock under the repurchase program for an aggregate cost of \$7.8 million. Currently, approximately \$88.6 million remains under this program for future purchases.

Contractual Obligations

Convertible Notes

We currently have \$280.0 million in aggregate principal amount of Convertible Notes outstanding, of which \$150.0 million and \$130.0 million are scheduled to mature on June 15, 2026 and August 15, 2028, in respect of the 2021 Notes and the 2023 Notes, respectively, unless earlier converted, repurchased or redeemed. Conditional conversions or a requirement to repurchase the Convertible Notes upon the occurrence of a fundamental change may accelerate payment.

The Convertible Notes require cash settlement of up to the principal amount, while settlement of the conversion obligation in excess of the aggregate principal amount may be satisfied in either cash, shares of our common stock or a combination of cash and shares of our common stock. We may settle and/or refinance these obligations when due.

See the section titled “Issuance of Convertible Notes” above for additional information.

Payable to GBH

On November 20, 2023, we repurchased our Series C Preferred Stock from GBH for aggregate cash consideration of approximately \$84.4 million. The Series C Preferred Stock was originally issued to GBH on May 10, 2023 in connection with the termination of the Company’s obligations relating to the contractual gold payments. Under the terms of the transaction, we paid GBH \$40.0 million on the closing date, with the remainder of the purchase price payable in equal, interest-free installments on the first, second and third anniversaries of the closing date.

Operating Leases

Total future minimum lease payments with respect to our operating lease liabilities were \$0.9 million at June 30, 2024. Cash flows generated by our operating activities and existing cash balances should be sufficient to satisfy the future minimum lease payments. See Note 13 to our Consolidated Financial Statements for additional information.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet financing or other arrangements and have neither created nor are party to any special-purpose or off-balance sheet entities for the purpose of raising capital, incurring debt or operating our business.

Critical Accounting Policies and Estimates

Goodwill and Intangible Assets

Goodwill is the excess of the purchase price over the fair values of the identifiable net assets at the acquisition date. We test goodwill for impairment at least annually and at the time of a triggering event requiring re-evaluation, if one were to occur. Goodwill is considered impaired when the estimated fair value of the reporting unit that was allocated the goodwill is less than its carrying value. If the estimated fair value of such reporting unit is less than its carrying value, goodwill impairment is recognized based on that difference, not to exceed the carrying amount of goodwill. A reporting unit is an operating segment or a component of an operating segment provided that the component constitutes a business for which discrete financial information is available and management regularly reviews the operating results of that component.

Goodwill is allocated to our U.S. business and European business components. For impairment testing purposes, these components are aggregated as a single reporting unit as they fall under the same operating segment and have similar economic characteristics.

Goodwill is assessed for impairment annually on November 30th. When performing our goodwill impairment test, we consider a qualitative assessment, when appropriate, and the market approach and its market capitalization when determining the fair value of the reporting unit. The results of our most recent analysis indicated no impairment based upon a quantitative assessment.

Indefinite-lived intangible assets are tested for impairment at least annually and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Indefinite-lived intangible assets are impaired if their estimated fair value is less than their carrying value. We may rely on a qualitative assessment when performing our intangible asset impairment test. Otherwise, the impairment evaluation is performed at the lowest level of reasonably identifiable cash flows independent of other assets. The annual impairment testing date for our intangible assets is November 30th. The results of our most recent analysis identified no indicators of impairment to be recognized based upon a quantitative assessment (discounted cash flow analysis) which relied upon significant unobservable inputs including projected revenue growth rates of 3.0% and a weighted average cost of capital of 10.5%.

Investments

We account for equity investments that do not have a readily determinable fair value under the measurement alternative prescribed within ASU 2016-01, *Financial Instruments – Recognition and Measurement of Financial Assets and Financial Liabilities*, to the extent such investments are not subject to consolidation or the equity method. Under the measurement alternative, these financial instruments are carried at cost, less any impairment (assessed quarterly), plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. In addition, income is recognized when dividends are received only to the extent they are distributed from net accumulated earnings of the investee. Otherwise, such distributions are considered returns of investment and are recorded as a reduction of the cost of the investment.

See Note 7 to our Consolidated Financial Statements for information.

Revenue Recognition

We earn substantially all of our revenue in the form of advisory fees from our ETPs and recognize this revenue over time, as the performance obligation is satisfied. Advisory fees are based on a percentage of the ETPs' average daily net assets. Progress is measured using the practical expedient under the output method resulting in the recognition of revenue in the amount for which we have a right to invoice.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The following information, together with information included in other parts of this Management's Discussion and Analysis of Financial Condition and Results of Operations, describes key aspects of our market risk.

Market Risk

Market risk to us generally represents the risk of changes in the value of our ETPs and Digital Funds that results from fluctuations in securities or commodity prices, foreign currency exchange rates against the U.S. dollar, and interest rates. Nearly all our revenues are derived from advisory agreements for the WisdomTree ETPs. Under these agreements, the advisory fee we receive is based on the average market value of the assets in the WisdomTree ETP portfolios we manage.

Fluctuations in the value of the ETPs are common and are generated by numerous factors such as market volatility, the global economy, inflation, changes in investor strategies and sentiment, availability of alternative investment vehicles, domestic and foreign government regulations, emerging markets developments and others. Accordingly, changes in any one or a combination of these factors may reduce the value of investment securities and, in turn, the underlying AUM on which our revenues are earned. These declines may cause investors to withdraw funds from our ETPs in favor of investments that they perceive as offering greater opportunity or lower risk, thereby compounding the impact on our revenues. We believe challenging and volatile market conditions will continue to be present in the foreseeable future.

Interest Rate Risk

We invest our corporate cash in short-term interest earning assets, primarily in federal agency debt instruments, WisdomTree fixed income ETFs, U.S. treasuries, corporate bonds, money market instruments at a commercial bank and other securities which totaled \$109.2 million and \$83.0 million as of December 31, 2023 and June 30, 2024, respectively. During the six months ended June 30, 2024, we recognized gains on these financial instruments of \$1.8 million and any gains/losses recognized in the future may be material to our operating results. We do not anticipate that changes in interest rates will have a material impact on our financial condition or cash flows.

In addition, our Convertible Notes bear interest at fixed rates of 5.75% and 3.25% for the 2023 Notes and the 2021 Notes, respectively. Therefore, we have no direct financial statement risk associated with changes in interest rates. However, the fair value of the Convertible Notes changes primarily when the market price of our common stock fluctuates or interest rates change.

Exchange Rate Risk

We are subject to currency translation exposure on the results of our non-U.S. operations, primarily in the United Kingdom and Europe. Foreign currency translation risk is the risk that exchange rate gains or losses arise from translating foreign entities' statements of earnings and balance sheets from functional currency to our reporting currency (the U.S. dollar) for consolidation purposes. The advisory fees earned on our European listed ETPs are predominantly in U.S. dollars (and also paid in gold, other precious metals and cryptocurrency, as described below); however, expenses for corporate overhead are generally incurred in British pounds. Currently, we do not enter into derivative financial instruments aimed at offsetting certain exposures in the statement of operations or the balance sheet but may seek to do so in the future.

Exchange rate risk associated with the euro is not considered to be significant.

Commodity and Cryptocurrency Price Risk

Fluctuations in the prices of commodities and cryptocurrencies that are linked to certain of our ETPs could have a material adverse effect on our AUM and revenues. In addition, a portion of the advisory fee revenues we receive on our ETPs backed by gold, other precious metals and cryptocurrencies are paid in the underlying metal or cryptocurrency. While we readily sell the gold, precious metals and cryptocurrencies that we earn under these advisory contracts, we still may maintain a position. We currently do not enter into arrangements to hedge against fluctuations in the price of these commodities and cryptocurrencies and any hedging we may undertake in the future may not be cost-effective or sufficient to hedge against this exposure.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of June 30, 2024, our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(b) promulgated under the Exchange Act. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of June 30, 2024, our disclosure controls and procedures were effective at a reasonable assurance level in ensuring that material information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules, regulations and forms of the SEC, including ensuring that such material information is accumulated by and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

During the quarter ended June 30, 2024, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II: OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We may be subject to reviews, inspections and investigations by federal regulators including, but not limited to, the SEC, Commodity Futures Trading Commission (CFTC), National Futures Association (NFA), Financial Industry Regulatory Authority (FINRA), state and foreign regulators, as well as legal proceedings arising in the ordinary course of business. See Note 14 to our Consolidated Financial Statements for additional information regarding actual and potential claims brought by investors in our WisdomTree WTI Crude Oil 3x Daily Leveraged ETP totaling approximately €22.8 million (\$24.5 million), including the December 2020 Claim, which is subject to an appeal.

ITEM 1A. RISK FACTORS

You should carefully consider the information set forth in Part 1, Item 1A. "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024.

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

Recent sales of Unregistered Securities

None.

Use of Proceeds

Not applicable.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table provides information with respect to purchases made by or on behalf of the Company or any “affiliated purchaser” of shares of our common stock.

Period	Total Number of Shares Purchased	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 (in thousands)
April 1, 2024 to April 30, 2024	—	\$ —	—	
May 1, 2024 to May 31, 2024	—	\$ —	—	
June 1, 2024 to June 30, 2024	—	\$ —	—	
Total	—	\$ —	—	\$ 88,585

On February 22, 2022, our Board of Directors approved an increase of \$85.7 million to our share repurchase program and extended the term for three years through April 27, 2025. During the six months ended June 30, 2024, we repurchased 1,096,278 shares of our common stock under this program for an aggregate cost of approximately \$7.8 million. As of June 30, 2024, \$88.6 million remained under this program for future repurchases.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

This disclosure is intended to satisfy any obligation to provide disclosures pursuant to Item 5.03 of Form 8-K.

Effective August 1, 2024, our Board of Directors approved an amendment and restatement of our Fourth Amended and Restated By-Laws (as amended and restated, the “Fifth Amended and Restated By-Laws,” which are referred to in this Report as the “By-laws”). The By-laws were amended to repeal the proxy access provision (Article II, Section 11(d)(4)(G)) that required the proposed director nominee to provide the Board with an irrevocable letter of resignation, subject to acceptance by the Board in the event that, at some later date, the Board determined that the nominee made untrue statements in connection with their proxy access submission.

The foregoing description of the amendment contained in the By-laws is qualified in its entirety by reference to the By-laws, which are filed as Exhibit 3.7 to this Report.

10b5-1 Trading Arrangements

During the three months ended June 30, 2024, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

ITEM 6. EXHIBITS

EXHIBIT INDEX

Exhibit Number	Description
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 of the Registrant's Registration Statement on Form 10, filed with the SEC on March 31, 2011)
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation (Name Change) (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K, filed with the SEC on November 7, 2022)
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation (Declassification of Board of Directors) (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K, filed with the SEC on July 20, 2022)
3.4	Certificate of Amendment to the Amended and Restated Certificate of Incorporation (Increase in Authorized Shares) (incorporated by reference to Exhibit 3.2 of the Registrant's Current Report on Form 8-K, filed with the SEC on July 20, 2022)
3.5	Certificate of Designations of Series A Non-Voting Convertible Preferred Stock of the Registrant (incorporated by reference to Exhibit 3.1 of the Registrant's Current Report on Form 8-K filed with the SEC on April 13, 2018)
3.6	Certificate of Designations of Series B Junior Participating Cumulative Preferred Stock of the Registrant (incorporated by reference to Exhibit 3.1 of the Registrant's Registration Statement on Form 8-A filed with the SEC on March 20, 2023)
3.7 ⁽¹⁾	Fifth Amended and Restated By-Laws
4.1	Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 of the Registrant's Registration Statement on Form 10, filed with the SEC on March 31, 2011)
4.2	Amended and Restated Stockholders Agreement among the Registrant and certain investors dated December 21, 2006 (incorporated by reference to Exhibit 4.2 of the Registrant's Registration Statement on Form 10, filed with the SEC on March 31, 2011)
4.3	Securities Purchase Agreement among the Registrant and certain investors dated December 21, 2006 (incorporated by reference to Exhibit 4.3 of the Registrant's Registration Statement on Form 10, filed with the SEC on March 31, 2011)
4.4	Securities Purchase Agreement among the Registrant and certain investors dated October 15, 2009 (incorporated by reference to Exhibit 4.4 of the Registrant's Registration Statement on Form 10, filed with the SEC on March 31, 2011)
4.5	Third Amended and Restated Registration Rights Agreement dated October 15, 2009 (incorporated by reference to Exhibit 4.5 of the Registrant's Registration Statement on Form 10, filed with the SEC on March 31, 2011)
4.6	Indenture, dated as of June 14, 2021, by and between the Registrant and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K, filed with the SEC on June 14, 2021)
4.7	Form of Global Note, representing the Registrant's 3.25% Convertible Senior Notes due 2026 (incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K, filed with the SEC on June 14, 2021)
4.8	Indenture, dated as of February 14, 2023, by and between the Registrant and U.S. Bank National Association, as Trustee (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K, filed with the SEC on February 14, 2023)
4.9	Form of Global Note, representing the Registrant's 5.75% Convertible Senior Notes due 2028 (incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K, filed with the SEC on February 14, 2023)
4.10	Stockholder Rights Agreement, dated as of March 17, 2023, between the Registrant and Continental Stock Transfer & Trust Company, as Rights Agent (incorporated by reference to Exhibit 4.1 of the Registrant's Registration Statement on Form 8-A filed with the SEC on March 20, 2023)
4.11	Amendment No. 1, dated as of May 4, 2023, to Stockholder Rights Agreement, dated as of March 17, 2023, between the Registrant and Continental Stock Transfer & Trust Company, as Rights Agent (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K filed with the SEC on May 5, 2023)
4.12	Amendment No. 2, dated as of May 10, 2023, to Stockholder Rights Agreement, dated as of March 17, 2023, between the Registrant and Continental Stock Transfer & Trust Company, as Rights Agent (incorporated by reference to Exhibit 4.2 of the Registrant's Current Report on Form 8-K, filed with the SEC on May 10, 2023)

[Table of Contents](#)

Exhibit Number	Description
4.13	Amendment No. 3, dated as of March 18, 2024, to Stockholder Rights Agreement, dated as of March 17, 2023, as amended, between WisdomTree, Inc. and Continental Stock Transfer & Trust Company, as Rights Agent (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K, filed with the SEC on March 18, 2024)
4.14	Amendment No. 4, dated as of March 25, 2024, to Stockholder Rights Agreement, dated as of March 17, 2023, as amended, between WisdomTree, Inc. and Continental Stock Transfer & Trust Company, as Rights Agent (incorporated by reference to Exhibit 4.1 of the Registrant's Current Report on Form 8-K, filed with the SEC on March 29, 2024)
4.15	Amendment No. 5, dated as of April 30, 2024, to Stockholder Rights Agreement, dated as of March 17, 2023, as amended, between WisdomTree, Inc. and Continental Stock Transfer & Trust Company, as Rights Agent (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K, filed with the SEC on April 30, 2024)
31.1 ⁽¹⁾	Rule 13a-14(a) / 15d-14(a) Certification
31.2 ⁽¹⁾	Rule 13a-14(a) / 15d-14(a) Certification
32.1 ⁽²⁾	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101 ⁽¹⁾	Financial Statements from the Quarterly Report on Form 10-Q of the Company for the three months ended June 30, 2024, formatted in XBRL: (i) Consolidated Balance Sheets at June 30, 2024 (Unaudited) and December 31, 2023; (ii) Consolidated Statements of Operations and Comprehensive Income for the three and six months ended June 30, 2024 and June 30, 2023 (Unaudited); (iii) Consolidated Statements of Changes in Stockholders' Equity for the three and six months ended June 30, 2024 and June 30, 2023 (Unaudited); (iv) Consolidated Statements of Cash Flows for the six months ended June 30, 2024 and June 30, 2023 (Unaudited); and (v) Notes to Consolidated Financial Statements, as blocks of text and in detail.
101.SCH ⁽¹⁾	Inline XBRL Taxonomy Extension Schema Document
101.CAL ⁽¹⁾	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF ⁽¹⁾	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB ⁽¹⁾	Inline XBRL Taxonomy Extension Labels Linkbase Document
101.PRE ⁽¹⁾	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104 ⁽¹⁾	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.*)

⁽¹⁾ Filed herewith.

⁽²⁾ Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Exchange Act, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized on this 2nd day of August 2024.

WISDOMTREE, INC.

By: /s/ Jonathan Steinberg
Jonathan Steinberg
Chief Executive Officer
(Principal Executive Officer)

WISDOMTREE, INC.

By: /s/ Bryan Edmiston
Bryan Edmiston
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

Adopted by the Board of Directors: August 1, 2024

**FIFTH AMENDED AND RESTATED BY-LAWS
OF
WISDOMTREE, INC.**

(the "Corporation")

ARTICLE I

Offices

SECTION 1. Registered Office. The registered office of the Corporation and the registered agent of the Corporation shall be as stated from time to time in the certificate of incorporation of the Corporation (as amended and/or restated from time to time, the "Certificate").

SECTION 2. Other Offices. The Corporation may also have an office or offices at such other place or places, within or without the State of Delaware, as the Board of Directors of the Corporation (the "Board of Directors") may from time to time designate or the business of the Corporation may require.

ARTICLE II

Stockholders' Meetings

SECTION 1. Annual Meetings. The annual meeting of stockholders (any such meeting being referred to in these By-laws as an "Annual Meeting") shall be held at the time, date and place, if any, within or without the State of Delaware that is fixed by the Board of Directors, which time, date and place may subsequently be changed at any time, before or after the notice for such meeting has been sent to the stockholders, by vote of the Board of Directors. The Board of Directors may, in its sole discretion, determine that a meeting of stockholders shall not be held at any place, but may instead be held solely by means of remote communication as authorized by Section 211(a) (2) of the General Corporation Law of the State of Delaware (the "DGCL"). In the absence of any such designation or determination, stockholders' meetings shall be held at the Corporation's principal executive office.

SECTION 2. Notice of Stockholder Business and Nominations.

(a) Annual Meetings of Stockholders.

(1) Nominations of persons for election to the Board of Directors and the proposal of other business to be considered by the stockholders may be brought before an Annual Meeting (i) by or at the direction of the Board of Directors or a duly authorized committee thereof, (ii) by any stockholder of the Corporation who was a stockholder of record at the time of giving of notice provided for in these By-laws, who is entitled to vote at the meeting, who is present (in person or by proxy) at the meeting and who complies with the notice procedures set forth in these By-laws as to such nomination or business, or (iii) by any Eligible Stockholder (as defined in Section 11(a)(1) of this Article II) who has complied with the procedures set forth in Section 11 of this Article II. For the avoidance of doubt, the foregoing clauses (ii) and (iii) shall be the exclusive means for a stockholder to bring nominations or business properly before an Annual Meeting (other than matters properly brought under Rule 14a-8 (or any successor rule) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")), and such stockholder must comply with the notice and other procedures set forth in Sections 2(a)(2), (3) and (4) of this Article II or Section 11 of this Article II to bring such nominations or business properly before an Annual Meeting. In addition to the other requirements set forth in these By-laws, for any proposal of business to be considered at an Annual Meeting, it must be a proper subject for action by stockholders of the Corporation under Delaware law.

(2) For nominations or other business to be properly brought before an Annual Meeting by a stockholder pursuant to clause (ii) of Section 2(a)(1) of this Article II, the stockholder must (i) have given Timely Notice (as defined below) thereof in writing to the Secretary of the Corporation, (ii) have provided any updates or supplements to such notice at the times and in the forms required by these By-laws and (iii) together with the beneficial owner(s), if any, on whose behalf the nomination or business proposal is made, have acted in accordance with the representations set forth in the Solicitation Statement (as defined below) required by these By-laws. To be timely, a stockholder's written notice shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day nor earlier than the close of business on the one hundred twentieth (120th) day prior to the one-year anniversary of the preceding year's Annual Meeting; provided, however, that in the event the Annual Meeting is first convened more than thirty (30) days before or more than sixty (60) days after such anniversary date, or if no Annual Meeting was held in the preceding year, notice by the stockholder to be timely must be received by the Secretary of the Corporation not later than the close of business on the later of the ninetieth (90th) day prior to the scheduled date of such Annual Meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made (such notice within such time periods shall be referred to as "Timely Notice"). Such stockholder's Timely Notice shall set forth:

(A) as to each person whom the stockholder proposes to nominate for election or reelection as a director, (i) the name, age, business address and residence address of the nominee, (ii) the principal occupation or employment of the nominee, (iii) the class and number of shares of capital stock of the Corporation that are held of record or are beneficially owned by the nominee or their affiliates or associates and any Synthetic Equity Interest (as defined below) held or beneficially owned by the nominee or their affiliates or associates, (iv) a description of all arrangements or understandings between or among the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder or concerning the nominee's potential service on the Board of Directors, (v) a questionnaire with respect to the background and qualifications of the nominee completed by the nominee in the form required by the Corporation (which questionnaire shall be provided by the Secretary upon written request), (vi) a representation and agreement in the form required by the Corporation (which form shall be provided by the Secretary upon written request) that: (a) such proposed nominee is not and will not become party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the Corporation or any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the Corporation, with such person's fiduciary duties under applicable law; (b) such proposed nominee is not and will not become a party to any agreement, arrangement, or understanding with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement, or indemnification in connection with service or action as a director that has not been disclosed to the Corporation; (c) such proposed nominee would, if elected as a director, comply with all applicable rules and regulations of the exchanges upon which shares of the Corporation's capital stock trade, all of the Corporation's corporate governance, ethics, conflict of interest, confidentiality, stock ownership and trading policies and guidelines applicable generally to the Corporation's directors, and applicable fiduciary duties and other obligations under state law and, if elected as a director of the Corporation, such person currently would be in compliance with any such policies and guidelines that have been publicly disclosed; (d) intends to serve as a director for the full term for which he or she is to stand for election; (e) such proposed nominee will provide facts, statements and other information in all communications with the Corporation and its stockholders that are or will be true and correct in all material respects and that do not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading; and (f) will promptly provide to the Corporation such other information as it may reasonably request; (vii) any other information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the Exchange Act (including without limitation such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected); and (viii) a written statement of such person that such person, if elected, intends to tender, promptly following such person's election or re-election, an irrevocable resignation effective upon such person's failure to receive the required vote for re-election at the next meeting at which such person would face re-election and upon acceptance of such resignation by the Board of Directors, in accordance with the Corporation's corporate governance guidelines;

(B) as to any other business that the stockholder proposes to bring before the meeting: a brief description of the business desired to be brought before the meeting, the reasons for conducting such business at the meeting, the text, if any, of any resolutions or By-law amendment proposed for adoption, and any material interest in such business of each Proposing Person (as defined below);

(C) (i) the name and address of the stockholder giving the notice, as they appear on the Corporation's books, and the names and addresses of the other Proposing Persons (if any) and (ii) as to each Proposing Person, the following information: (a) the class or series and number of all shares of capital stock of the Corporation which are, directly or indirectly, owned beneficially or of record by such Proposing Person or any of its affiliates or associates (as such terms are defined in Rule 12b-2 promulgated under the Exchange Act), including any shares of any class or series of capital stock of the Corporation as to which such Proposing Person or any of its affiliates or associates has a right to acquire beneficial ownership at any time in the future (whether or not such right is exercisable immediately or only after the passage of time or upon the satisfaction of any conditions or both) pursuant to any agreement, arrangement or understanding (whether or not in writing), (b) all Synthetic Equity Interests (as defined below) in which such Proposing Person or any of its affiliates or associates, directly or indirectly, holds an interest including a description of the material terms of each such Synthetic Equity Interest, including without limitation, identification of the counterparty to each such Synthetic Equity Interest and disclosure, for each such Synthetic Equity Interest, as to (1) whether or not such Synthetic Equity Interest conveys any voting rights, directly or indirectly, in such shares to such Proposing Person or any of its affiliates or associates, (2) whether or not such Synthetic Equity Interest is required to be, or is capable of being, settled through delivery of such shares and (3) whether or not such Proposing Person, any of its affiliates or associates and/or, to the extent known, the counterparty to such Synthetic Equity Interest has entered into other transactions that hedge or mitigate the economic effect of such Synthetic Equity Interest, (c) any proxy (other than a revocable proxy given in response to a public proxy solicitation made pursuant to, and in accordance with, the Exchange Act), agreement, arrangement, understanding or relationship pursuant to which such Proposing Person or any of its affiliates or associates has or shares a right to, directly or indirectly, vote any shares of any class or series of capital stock of the Corporation, (d) any rights to dividends or other distributions on the shares of any class or series of capital stock of the Corporation, directly or indirectly, owned beneficially by such Proposing Person or any of its affiliates or associates that are separated or separable from the underlying shares of the Corporation, (e) any performance-related fees (other than an asset-based fee) to which such Proposing Person or any of their affiliates or associates, directly or indirectly, is entitled to receive based on any increase or decrease in the value of shares of any class or series of capital stock of the Corporation, or any Synthetic Equity Interests, (f)(1) if such Proposing Person is not a natural person, the identity of the natural person or persons associated with such Proposing Person responsible for (i) the formulation of and decision to propose the director nomination or business to be brought before the meeting and (ii) making voting and investment decisions on behalf of the Proposing Person (irrespective of whether such person or persons have "beneficial ownership" for purposes of Rule 13d-3 of the Exchange Act of any securities owned of record or beneficially by the Proposing Person) (such person or persons, the "Responsible Person"), the manner in which such Responsible Person was selected, any fiduciary duties owed by such Responsible Person to the equity holders or other beneficiaries of such Proposing Person and, the qualifications and background of such Responsible Person or (2) if such Proposing Person is a natural person, the qualifications and background of such natural person, (g) any equity interests or any Synthetic Equity Interests in any principal competitor of the Corporation beneficially owned by such Proposing Person or any of its affiliates or associates, (h) any direct or indirect interest of such Proposing Person or any of its affiliates or associates in any contract with the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation (including, without limitation, in any such case, any employment agreement, collective bargaining agreement or consulting agreement), (i) any pending or threatened litigation in which such Proposing Person or any of its affiliates or associates is a party or material participant involving the Corporation or any of its officers or directors, or any affiliate of the Corporation, (j) any material transaction occurring during the prior twelve months between such Proposing Person or any of its affiliates or associates, on the one hand, and the Corporation, any affiliate of the Corporation or any principal competitor of the Corporation, on the other hand, and (k) any other information relating to such Proposing Person or any of its affiliates or associates that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies or consents by such Proposing Person in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act (the disclosures to be made pursuant to the foregoing clauses (a) through (l) are referred to, collectively, as "Material Ownership Interests"); provided, however, that the Material Ownership Interests shall not include any such disclosures with respect to the ordinary course business activities of any broker, dealer, commercial bank, trust company or other nominee who is a Proposing Person solely as a result of being the stockholder of record directed to prepare and submit the notice required by these By-laws on behalf of a beneficial owner;

(D) (i) a description of all agreements, arrangements or understandings to which any Proposing Person or any of its affiliates or associates is a party (whether the counterparty or counterparties are a Proposing Person or any affiliate or associate thereof, on the one hand, or one or more other third parties, on the other hand, (including any proposed nominee(s)) (a) pertaining to the nomination(s) or other business proposed to be brought before the meeting of stockholders or (b) entered into for the purpose of acquiring, holding, disposing or voting of any shares of any class or series of capital stock of the Corporation (which description shall identify the name of each other person who is party to such an agreement, arrangement or understanding), and (ii) identification of the names and addresses of other stockholders (including beneficial owners) known by any of the Proposing Persons to support such nominations or other business proposal(s) and, to the extent known, the class and number of all shares of the Corporation's capital stock owned beneficially or of record by such other stockholder(s) or other beneficial owner(s); and

(E) a statement (i) that the stockholder is a holder of record of capital stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business, (ii) whether or not the stockholder giving the notice and/or the other Proposing Person(s), if any, (a) will deliver a proxy statement and form of proxy to holders of, in the case of a business proposal, at least the percentage of voting power of all of the shares of capital stock of the Corporation required under applicable law to approve the proposal or, in the case of a nomination or nominations, at least 67 percent of the voting power of all of the shares of capital stock of the Corporation entitled to vote on the election of directors or (b) otherwise solicit proxies or votes from stockholders in support of such proposal or nomination, as applicable, (iii) providing a representation as to whether or not such Proposing Person intends to solicit proxies in support of director nominees other than the Corporation's director nominees in accordance with Rule 14a-19 promulgated under the Exchange Act, and (iv) that the stockholder will provide any other information relating to such item of business that would be required to be disclosed in a proxy statement or other filing required to be made in connection with solicitations of proxies in support of the business proposed to be brought before the meeting pursuant to Section 14(a) of the Exchange Act (such statement, the "Solicitation Statement").

For purposes of this Article II of these By-laws, the term "Proposing Person" shall mean the following persons: (i) the stockholder of record providing the notice of nominations or business proposed to be brought before a stockholders' meeting, and (ii) the beneficial owner(s), if different, on whose behalf the nominations or business proposed to be brought before a stockholders' meeting is made. For purposes of this Section 2 of Article II of these By-laws, the term "Synthetic Equity Interest" shall mean any transaction, agreement or arrangement (or series of transactions, agreements or arrangements), including, without limitation, any derivative, swap, hedge, repurchase or so-called "stock borrowing" or securities lending agreement or arrangement, the purpose or effect of which is to, directly or indirectly: (a) give a person or entity economic benefit and/or risk similar to ownership of shares of any class or series of capital stock of the Corporation, in whole or in part, including due to the fact that such transaction, agreement or arrangement provides, directly or indirectly, the opportunity to profit, or share in any profit, or avoid a loss from any increase or decrease in the value of any shares of any class or series of capital stock of the Corporation, (b) mitigate loss to, reduce the economic risk of, or manage the risk of share price changes for, any person or entity with respect to any shares of any class or series of capital stock of the Corporation, (c) otherwise provide in any manner the opportunity to profit, or share in any profit, or avoid a loss from any decrease in the value of any shares of any class or series of capital stock of the Corporation, or (d) increase or decrease the voting power of any person or entity with respect to any shares of any class or series of capital stock of the Corporation.

(3) A stockholder providing Timely Notice of nominations or business proposed to be brought before an Annual Meeting shall further update and supplement such notice, if necessary, so that the information (including, without limitation, the Material Ownership Interests information) provided or required to be provided in such notice pursuant to these By-laws shall be true and correct as of the record date for the meeting and as of the date that is ten (10) business days prior to such Annual Meeting, and such update and supplement shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the fifth (5th) business day after the record date for the Annual Meeting (in the case of the update and supplement required to be made as of the record date), and not later than the close of business on the eighth (8th) business day prior to the date of the Annual Meeting (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting). For the avoidance of doubt, the obligation to update as set forth in this Section 2(a)(3) shall not: limit the Corporation's rights with respect to any deficiencies in any notice provided by a stockholder, be construed to extend any applicable deadlines hereunder, or enable or be deemed to permit a stockholder who has previously submitted notice hereunder to amend or update any proposal or nomination or to submit any new proposal, including by changing or adding nominees, matters, business and/or resolutions proposed to be brought before a meeting of the stockholders.

(4) Notwithstanding anything in the second sentence of Article II, Section 2(a)(2) of these By-laws to the contrary, in the event that the number of directors to be elected to the Board of Directors is increased and there is no public announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least ten (10) days before the last day a stockholder may deliver a notice of nomination in accordance with the second sentence of Article II, Section 2(a)(2), a stockholder's notice required by these By-laws shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be received by the Secretary of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(b) General.

(1) Only such persons who are nominated in accordance with the provisions of Sections 2 or 11 of Article II of these By-laws shall be eligible for election and to serve as directors, and only such business shall be conducted at an Annual Meeting as shall have been brought before the meeting in accordance with the provisions of these By-laws or in accordance with Rule 14a-8 under the Exchange Act. The Board of Directors or a designated committee thereof shall have the power to determine whether a nomination or any business proposed to be brought before the meeting was made in accordance with the provisions of Sections 2 or 11 of Article II of these By-laws. If neither the Board of Directors nor such designated committee makes a determination as to whether any stockholder proposal or nomination was made in accordance with the provisions of Sections 2 or 11 of Article II of these By-laws, the presiding officer of the Annual Meeting shall have the power and duty to determine whether the stockholder proposal or nomination was made in accordance with the provisions of Sections 2 or 11 of Article II of these By-laws. If the Board of Directors or a designated committee thereof or the presiding officer, as applicable, determines that any stockholder proposal or nomination was not made in accordance with the provisions of Sections 2 or 11 of Article II of these By-laws, such proposal or nomination shall be disregarded and shall not be presented for action at the Annual Meeting.

(2) Except as otherwise required by law or Section 11 of Article II of these By-laws, nothing in this Article II, Section 2 shall obligate the Corporation or the Board of Directors to include in any proxy statement or other stockholder communication distributed on behalf of the Corporation or the Board of Directors information with respect to any nominee for director or any other matter of business submitted by a stockholder.

(3) Notwithstanding the foregoing provisions of this Article II, Section 2, if the nominating or proposing stockholder (or a qualified representative of the stockholder) does not appear at the Annual Meeting to present a nomination or any business, such nomination or business shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

For purposes of this Article II, Section 2, to be considered a qualified representative of the proposing stockholder, a person must be authorized by a written instrument executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such written instrument or electronic transmission, or a reliable reproduction of the written instrument or electronic transmission, to the presiding officer at the meeting of stockholders.

(4) For purposes of these By-laws, “public announcement” shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

(5) Notwithstanding the foregoing provisions of these By-laws, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder, including, but not limited to, Rule 14a-19 of the Exchange Act, with respect to the matters set forth in these By-laws. If a stockholder fails to comply with any applicable requirements of the Exchange Act, including, but not limited to, Rule 14a-19 promulgated thereunder, such stockholder’s proposed nomination or proposed business shall be deemed to have not been made in compliance with these By-laws and shall be disregarded. Nothing in these By-laws shall be deemed to affect any rights of (i) stockholders to have proposals included in the Corporation’s proxy statement pursuant to Rule 14a-8 (or any successor rule), as applicable, under the Exchange Act and, to the extent required by such rule, have such proposals considered and voted on at an Annual Meeting or (ii) the holders of any series of Undesignated Preferred Stock (as defined in the Certificate) to elect directors under specified circumstances.

(6) Further notwithstanding the foregoing provisions of these By-laws, unless otherwise required by law, if any Proposing Person (i) provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act and (ii) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) or Rule 14a-19(a)(3) promulgated under the Exchange Act, then the Corporation shall disregard any proxies or votes solicited for any proposed nominee of such Proposing Person. Upon request by the Corporation, if any Proposing Person provides notice pursuant to Rule 14a-19(b) promulgated under the Exchange Act, such Proposing Person shall deliver to the Corporation, no later than five (5) business days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act.

(7) The number of nominees a stockholder may nominate for election at the Annual Meeting (or in the case of a stockholder giving the notice on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at the Annual Meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such Annual Meeting.

SECTION 3. Special Meetings. Except as otherwise required by statute and subject to the rights, if any, of the holders of any series of Undesignated Preferred Stock, special meetings of the stockholders of the Corporation may be called only by the Board of Directors acting pursuant to a resolution approved by the affirmative vote of a majority of the directors then in office. The Board of Directors may postpone or reschedule any previously scheduled special meeting of stockholders. Only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders of the Corporation. Nominations of persons for election to the Board of Directors and stockholder proposals of other business shall not be brought before a special meeting of stockholders to be considered by the stockholders unless such special meeting is held in lieu of an Annual Meeting in accordance with Article II, Section 1 of these By-laws, in which case such special meeting in lieu thereof shall be deemed an Annual Meeting for purposes of these By-laws and the provisions of Article II, Section 2 of these By-laws shall govern such special meeting.

SECTION 4. Notice of Meetings; Adjournments.

- (a) A notice of each Annual Meeting stating the hour, date and place, if any, of such Annual Meeting and the means of remote communication, if any, by which stockholders, and proxyholders may be deemed to be present in person and vote at such meeting, shall be given not less than ten (10) days nor more than sixty (60) days before the Annual Meeting, to each stockholder of record entitled to vote thereat by delivering such notice to such stockholder or by mailing it, postage prepaid, addressed to such stockholder at the address of such stockholder as it appears on the Corporation's stock transfer books. Without limiting the manner by which notice may otherwise be given to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the DGCL.
- (b) Notice of all special meetings of stockholders shall be given in the same manner as provided for Annual Meetings, except that the notice of all special meetings shall state the purpose or purposes for which the meeting has been called.
- (c) Notice of an Annual Meeting or special meeting of stockholders need not be given to a stockholder if a waiver of notice is executed, or waiver of notice by electronic transmission is provided, before or after such meeting by such stockholder or if such stockholder attends such meeting, unless such attendance is for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting was not lawfully called or convened.
- (d) The Board of Directors may postpone and reschedule or cancel any previously scheduled Annual Meeting or special meeting of stockholders and any record date with respect thereto, regardless of whether any notice or public disclosure with respect to any such meeting has been sent or made pursuant to Section 2 of this Article II or otherwise. In no event shall the public announcement of an adjournment, postponement or rescheduling of any previously scheduled meeting of stockholders commence a new time period (or extend any time period) for the giving of a stockholder's notice under this Article II.
- (e) When any meeting is convened, the presiding officer or the stockholders present or represented by proxy at such meeting, by a majority of the voting power present at the meeting, may adjourn the meeting from time to time for any reason, regardless of whether a quorum is present, to reconvene at any other time and at any place at which a meeting of stockholders may be held under these By-laws. When any Annual Meeting or special meeting of stockholders is adjourned to another hour, date or place (including an adjournment taken to address a technical failure to convene or continue a meeting using remote communication), notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken or are provided in any other manner permitted by the DGCL; provided, however, that if the adjournment is for more than thirty (30) days from the meeting date, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting shall be given to each stockholder of record entitled to vote thereat and each stockholder who, by law or under the Certificate or these By-laws, is entitled to such notice.

SECTION 5. Quorum. Except as otherwise provided by law, the Certificate or these By-laws, at each meeting of stockholders, the presence in person or by proxy, of the holders of a majority in voting power of the outstanding shares of stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. At any adjourned meeting at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed. The stockholders present at a duly constituted meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Shares of the Corporation's capital stock shall neither be entitled to vote nor counted for quorum purposes if such shares belong to (i) the Corporation, (ii) another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation or (iii) any other entity, if a majority of the voting power of such other entity is otherwise controlled, directly or indirectly, by the Corporation; provided, however, that the foregoing shall not limit the right of the Corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

SECTION 6. Voting and Proxies. The stockholders entitled to vote at any meeting of stockholders shall be determined in accordance with the provisions of Article VI, Section 4 of these By-laws, subject to Section 217 (relating to voting rights of fiduciaries, pledgors and joint owners of stock) and Section 218 (relating to voting trusts and other voting agreements) of the DGCL. Stockholders shall have one vote for each share of stock entitled to vote owned by them of record according to the stock ledger of the Corporation as of the record date, unless otherwise provided by law or by the Certificate. Stockholders may vote either (i) in person, (ii) by written proxy or (iii) by a transmission permitted by Section 212(c) of the DGCL. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission permitted by Section 212(c) of the DGCL may be substituted for or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission. Proxies shall be filed in accordance with the procedures established for the meeting of stockholders. Except as otherwise limited therein or as otherwise provided by law, proxies authorizing a person to vote at a specific meeting shall entitle the persons authorized thereby to vote at any adjournment of such meeting, but they shall not be valid after final adjournment of such meeting. A proxy with respect to stock held in the name of two or more persons shall be valid if executed by or on behalf of any one of them unless at or prior to the exercise of the proxy the Corporation receives a specific written notice to the contrary from any one of them.

SECTION 7. Action at Meeting. When a quorum is present at any meeting of stockholders, any matter before any such meeting shall be decided by a majority of the votes cast, unless a different or minimum vote is required by the Certificate, these By-laws, the rules or regulations of any stock exchange applicable to the Corporation, or any law or regulation applicable to the Corporation or its securities, in which case such different or minimum vote shall be the applicable vote on the matter. When a quorum is present at any meeting, a nominee for director shall be elected to the Board of Directors if the number of votes cast for such nominee's election exceed the number of votes cast against such nominee's election; provided, however, that in a contested election, a nominee shall be elected by a plurality of the votes cast by the stockholders entitled to vote at the election on such election of directors. An election shall be considered contested if, as of the last date on which nominees for director may be submitted in accordance with these By-laws, the nominees for election to the Board of Directors exceeds the number of positions on the Board of Directors to be filled by election at that meeting. If an incumbent director is not re-elected, the director shall tender his or her resignation to the Board of Directors. The Nominating Committee of the Board of Directors (or any future committee the equivalent thereof) will make a recommendation to the Board of Directors on whether to accept or reject the resignation, or whether other action should be taken. The Board of Directors will act on the recommendation of such committee and will publicly disclose its decision within ninety (90) days from the date of the certification of the election results. A director who tenders his or her resignation may not participate in any meeting of the Board of Directors or any committee thereof until the Board of Directors has determined not to accept his or her resignation.

SECTION 8. Stockholder Lists. The Corporation shall prepare no later than the tenth day before each Annual Meeting or special meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting, for a period of ten (10) days prior to the meeting in the manner provided by law.

SECTION 9. Presiding Officer. The Board of Directors shall designate a representative to preside over all Annual Meetings or special meetings of stockholders, provided that if the Board of Directors does not so designate such a presiding officer, then the Chair of the Board of Directors, if one is elected, shall preside over such meetings. If the Board of Directors does not so designate such a presiding officer and there is no Chair of the Board of Directors or the Chair of the Board of Directors is unable to so preside or is absent, then the Chief Executive Officer, if one is elected, shall preside over such meetings, provided further that if there is no Chief Executive Officer or the Chief Executive Officer is unable to so preside or is absent, then a director or officer chosen by resolution of the Board of Directors shall act as Chair at all meetings of stockholders. The presiding officer or director at any Annual Meeting or special meeting of stockholders shall have the power, among other things, to adjourn such meeting at any time and from time to time, subject to Sections 4 and 5 of this Article II. The order of business and all other matters of procedure at any meeting of the stockholders shall be determined by the presiding officer.

SECTION 10. Inspectors of Elections. The Corporation shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the presiding officer shall appoint one or more inspectors to act at the meeting. Any inspector may, but need not, be an officer, employee or agent of the Corporation. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. The inspectors shall perform such duties as are required by the DGCL, including the counting of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors. The presiding officer may review all determinations made by the inspectors, and in so doing the presiding officer shall be entitled to exercise his or her sole judgment and discretion and he or she shall not be bound by any determinations made by the inspectors. All determinations by the inspectors and, if applicable, the presiding officer, shall be subject to further review by any court of competent jurisdiction.

SECTION 11. Proxy Access Rights.

(a) Proxy Access Nomination.

(1) Whenever the Board of Directors solicits proxies with respect to the election of directors at an Annual Meeting, nominations of individuals for election to the Board of Directors at such Annual Meeting may be made by a stockholder or group of no more than 20 stockholders that satisfies the requirements of this Section 11 (as further qualified by the provisions of this Section 11, any such individual or group, including as the context requires each member thereof, being hereinafter referred to as an "Eligible Stockholder"). The nomination provisions set forth in this Section 11 are separate from, and in addition to, the nomination provisions set forth in Section 2 of this Article II. Subject to the provisions of this Section 11 and to the extent permitted by applicable law, the Corporation shall include in its proxy materials for such Annual Meeting, in addition to any persons nominated for election by, or at the direction of, a majority of the Board of Directors, the name, together with the Required Information (as defined below), of any person nominated for election (each such person being hereinafter referred to as a "Stockholder Nominee") to the Board of Directors by an Eligible Stockholder pursuant to this Section 11.

(2) For purposes of this Section 11, the "Required Information" that the Corporation will include in its proxy materials is (A) the information concerning the Stockholder Nominee and the Eligible Stockholder that is required to be disclosed in the Corporation's proxy statement by the rules and regulations promulgated under the Exchange Act, by these By-laws, by the Certificate and/or by the listing standards of each principal U.S. exchange upon which the common stock of the Corporation is listed; and (B) the written statement, if any, consisting of 500 words or fewer delivered by the Eligible Stockholder pursuant to Section 11(d)(4) hereof in support of the Stockholder Nominee's candidacy that is clearly and specifically identified as the written statement that the Eligible Stockholder requests the Corporation to include in its proxy materials and does not include any references to any other statements or written materials in support of the Stockholder Nominee's candidacy or any website or other locations where any such statements or written materials may be found (the "Statement"). If the Eligible Stockholder has not provided to the Secretary of the Corporation a Statement within the time period specified in this Section 11 for delivering the Notice of Proxy Access Nomination (as defined below), the Eligible Stockholder will be deemed to have not provided the Statement and the Required Information will not include the Statement. Notwithstanding anything to the contrary contained in this Section 11, the Corporation may omit from its proxy materials any information or Statement (or portion thereof) if the Corporation believes that (A) such information is not true in all material respects or omits a material statement necessary to make the statements made not misleading; (B) such information directly or indirectly impugns the character, integrity or personal reputation of, or directly or indirectly makes charges concerning improper, illegal or immoral conduct or associations, without factual foundation, with respect to, any person; or (C) the inclusion of such information in the proxy statement would otherwise violate the Securities and Exchange Commission proxy rules or any other applicable law, rule or regulation.

(b) Notice Requirements.

(1) In order to nominate a Stockholder Nominee pursuant to this Section 11, an Eligible Stockholder must, in addition to satisfying the other requirements of Section 11, provide to the Secretary of the Corporation, a written notice expressly nominating its Stockholder Nominee(s) and electing to have its Stockholder Nominee(s) included in the Corporation's proxy materials pursuant to this Section 11 that complies with the requirements set forth in this Section 11 (a "Notice of Proxy Access Nomination") within the time period set forth below. In order for an Eligible Stockholder to nominate a Stockholder Nominee pursuant to this Section 11, the Eligible Stockholder's Notice of Proxy Access Nomination must be received by the Secretary of the Corporation at the principal executive office of the Corporation not earlier than the one hundred twentieth (120th) day nor later than the close of business on the ninetieth (90th) day prior to the first anniversary of the date of the notice for the preceding year's Annual Meeting; provided, however, that in the event that the date of the Annual Meeting is advanced or delayed by more than thirty (30) days from the first anniversary of the date of the preceding year's Annual Meeting, Notice of Proxy Access Nomination by the Eligible Stockholder to be timely must be so delivered not earlier than the one hundred twentieth (120th) day prior to the date of such Annual Meeting and not later than 5:00 p.m., local time, on the later of the ninetieth (90th) day prior to the date of such Annual Meeting, as originally convened, or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made. In no event shall an adjournment, postponement or rescheduling of any previously scheduled meeting of stockholders, or the public announcement thereof, commence a new time period (or extend any time period) for the giving of a Notice of Proxy Access Nomination under this Section 11. For purposes of this Section 11, "public announcement" shall have the meaning given to such term in Section 2(b)(4) of this Article II.

(2) In order to nominate a Stockholder Nominee pursuant to this Section 11, an Eligible Stockholder providing the Required Information within the time period specified in Section 11(b)(1) for delivering the Notice of Proxy Access Nomination must further update and supplement such Required Information, if necessary, so that all such information provided or required to be provided shall be true and correct as of the close of business on the record date for purposes of determining the stockholders entitled to vote at such Annual Meeting and as of the date that is ten (10) business days prior to such Annual Meeting, and such update and supplement (or a written notice stating that there is no such update or supplement) must be delivered in writing to the Secretary of the Corporation at the principal executive office of the Corporation not later than 5:00 p.m., local time, on the fifth (5th) business day after the record date for purposes of determining the stockholders entitled to vote at the meeting (in the case of the update and supplement required to be made as of the record date), and not later than 5:00 p.m., local time, on the fifth (5th) business day prior to the date for the meeting (in the case of the update and supplement required to be made as of ten (10) business days prior to the meeting).

(3) In the event that any of the information or communications provided by the Eligible Stockholder or the Stockholder Nominee to the Corporation or its stockholders ceases to be true and correct in all material respects or omits a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, each Eligible Stockholder or Stockholder Nominee, as the case may be, shall promptly notify the Secretary of the Corporation of any defect in such previously provided information or communications and of the information that is required to correct any such defect.

(c) Maximum Number of Stockholder Nominees.

(1) The maximum number of Stockholder Nominees nominated by all Eligible Stockholders that will be included in the Corporation's proxy materials with respect to an Annual Meeting shall not exceed the greater of (i) two or (ii) 25% of the number of directors in office as of the last day on which a Notice of Proxy Access Nomination may be timely delivered pursuant to and in accordance with this Section 11 (the "Final Proxy Access Nomination Date"), or if such amount is not a whole number, the closest whole number below 25%; *provided*, that the maximum number of Stockholder Nominees that will be included in the Corporation's proxy materials with respect to an Annual Meeting will be reduced by (i) the number of Stockholder Nominees whom the Board of Directors itself decides to nominate for election at such Annual Meeting; (ii) the number of individuals who will be included in the Corporation's proxy materials as nominees recommended by the Board of Directors pursuant to an agreement, arrangement or other understanding with a stockholder or group of stockholders entered into after August 1, 2022 (other than any such agreement, arrangement or understanding entered into in connection with an acquisition of shares from the Corporation by such stockholder or group of stockholders) and (iii) the number of individuals that the Board of Directors decides to nominate for re-election who were previously elected to the Board of Directors with respect to any of the preceding two Annual Meetings based on a nomination by one or more stockholders pursuant to Section 2 of Article II or this Section 11.

(2) Any Eligible Stockholder submitting more than one Stockholder Nominee for inclusion in the Corporation's proxy materials pursuant to this Section 11 shall rank such Stockholder Nominees based on the order that the Eligible Stockholder desires such Stockholder Nominees to be selected for inclusion in the Corporation's proxy statement in the event that the total number of Stockholder Nominees submitted by all Eligible Stockholders pursuant to this Section 11 exceeds the maximum number of Stockholder Nominees provided for in Section 11(c)(1) (including by operation of Section 11(c)(3)). In the event that the number of Stockholder Nominees submitted by all Eligible Stockholders pursuant to this Section 11 for an Annual Meeting exceeds the maximum number of Stockholder Nominees provided for in Section 11(c)(1) (including by operation of Section 11(c)(3)), the highest ranking Stockholder Nominee who meets the requirements of this Section 11 from each Eligible Stockholder (with such determination and the determination of whether a stockholder or group of stockholders constitutes an Eligible Stockholder to be based on compliance with the provisions of this Section 11 as of the Final Proxy Access Nomination Date) will be selected for inclusion in the Corporation's proxy materials until the maximum number is reached, going in order from the largest to the smallest of such Eligible Stockholders based on the number of shares of common stock of the Corporation each Eligible Stockholder disclosed as owned by such Eligible Stockholder in the Notice of Proxy Access Nomination submitted to the Corporation hereunder. If the maximum number of Stockholder Nominees provided for in this Section 11 is not reached after the highest ranking Stockholder Nominee who meets the requirements of this Section 11 from each Eligible Stockholder determined in the manner set forth above has been selected, this selection process will continue as many times as necessary, following the same order each time, until the maximum number of Stockholder Nominees provided for in this Section 11 is reached. The Stockholder Nominees initially selected in accordance with this Section 11(c)(2) will be the only Stockholder Nominees eligible to be nominated or included in the Corporation's proxy materials pursuant to this Section 11. The Notices of Proxy Access Nomination and nominations of all of the remaining Stockholder Nominees not initially selected pursuant to this Section 11(c)(2) will be deemed to have been withdrawn by each of the applicable Eligible Stockholders as of the Final Proxy Access Nomination Date, and, following such initial selection, if any one or more of the Stockholder Nominees so selected are (A) nominated by the Board of Directors or (B) not included in the Corporation's proxy materials or are not submitted for election for any reason, including, without limitation, a subsequent failure to comply with this Section 11 by the Eligible Stockholder or the Eligible Stockholder's withdrawal of the nomination, then, in each case, no additional Stockholder Nominees will be included in the Corporation's proxy materials or otherwise submitted for stockholder election pursuant to this Section 11.

(3) If for any reason one or more vacancies occur on the Board of Directors after the Final Proxy Access Nomination Date but before the date of the applicable Annual Meeting and the Board of Directors resolves to reduce the size of the Board of Directors in connection therewith, the maximum number of Stockholder Nominees eligible to be nominated or included in the Corporation's proxy materials pursuant to this Section 11 shall be calculated based on the number of directors in office as so reduced. The Notices of Proxy Access Nomination and nominations of any Stockholder Nominees who cease to be eligible to be nominated or included in the Corporation's proxy materials pursuant to this Section 11 as a result of the operation of this Section 11(c)(3) will be deemed to have been withdrawn by each of the applicable Eligible Stockholders as of the Final Proxy Access Nomination Date.

(d) Stockholder Eligibility.

(1) For purposes of this Section 11, an Eligible Stockholder shall be deemed to “own” only those outstanding shares of common stock of the Corporation as to which the Eligible Stockholder possesses both (A) the full voting and investment rights pertaining to the shares and (B) the full economic interest in (including the opportunity for profit from and risk of loss on) such shares; provided that the number of shares calculated in accordance with clauses (A) and (B) (x) shall not include any shares (I) borrowed by such Eligible Stockholder for any purposes or purchased by such Eligible Stockholder pursuant to an agreement to resell, (II) sold by such Eligible Stockholder or any of its affiliates in any transaction that has not been settled or closed or (III) subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement entered into by such Eligible Stockholder or any of its affiliates, whether any such instrument or agreement is to be settled with shares or with cash based on the notional amount or value of shares of outstanding common stock of the Corporation, in any such case which instrument or agreement has, or is intended to have, the purpose or effect of (1) reducing in any manner, to any extent or at any time in the future, such Eligible Stockholder’s or its affiliates’ full right to vote or direct the voting of any such shares by such Eligible Stockholder or any of its affiliates and/or (2) hedging, offsetting or altering to any degree any gain or loss realized or realizable from maintaining the full economic ownership of such shares by such Eligible Stockholder or affiliate, and (y) shall be reduced by the notional amount of shares of common stock of the Corporation subject to any option, warrant, forward contract, swap, contract of sale, other derivative or similar agreement entered into by such Eligible Stockholder or any of its affiliates, whether or not any such instrument is to be settled with shares or with cash, to the extent the number of shares owned by the Eligible Stockholder was not already reduced by such amount pursuant to clause (x)(III) above, and a number of shares of common stock of the Corporation equal to the net “short” position in the common stock of the Corporation held by such Eligible Stockholder’s affiliates, whether through short sales, options, warrants, forward contracts, swaps, contracts of sale, other derivatives or similar agreements or any other agreement or arrangement. An Eligible Stockholder shall “own” shares held in the name of a nominee or other intermediary so long as the Eligible Stockholder retains the right to instruct how the shares are voted with respect to the election of directors and possesses the full economic interest in the shares. An Eligible Stockholder’s ownership of shares shall be deemed to continue during any period in which the Eligible Stockholder has delegated any voting power by means of a proxy, power of attorney or other instrument or arrangement which is unconditionally revocable at any time by the Eligible Stockholder. The terms “owned,” “owning” and other variations of the word “own” shall have correlative meanings. Whether outstanding shares of the common stock of the Corporation are “owned” for these purposes shall be determined by the Board of Directors or any committee thereof. For purposes of this Section 11, the term “affiliate” or “affiliates” shall have the meaning ascribed thereto under the General Rules and Regulations of the Exchange Act.

(2) In order to make a nomination pursuant to this Section 11, an Eligible Stockholder must have owned the Required Ownership Percentage (as defined below) of the Corporation’s outstanding common stock (the “Required Shares”) continuously for the Minimum Holding Period (as defined below) or longer as of both the date the Notice of Proxy Access Nomination is required to be received by the Corporation in accordance with this Section 11 and the close of business on the record date for determining stockholders entitled to vote at the applicable Annual Meeting, and must continue to own the Required Shares through the applicable meeting date (and any postponement or adjournment thereof); *provided*, that, up to, but not more than, 20 individual stockholders who otherwise meet all of the requirements to be an Eligible Stockholder may aggregate their stockholdings in order to meet the Required Ownership Percentage, but not the Minimum Holding Period, of the Required Shares. For purposes of this Section 11, the “Required Ownership Percentage” is 3% or more of the Corporation’s issued and outstanding common stock, and the “Minimum Holding Period” is three years.

(3) Whenever the Eligible Stockholder consists of a group of more than one stockholder, each provision in this Section 11 that requires the Eligible Stockholder to provide any written statements, representations, undertakings, agreements or other instruments or to meet any other conditions shall be deemed to require each stockholder that is a member of such group to provide such statements, representations, undertakings, agreements or other instruments and to meet such other conditions. In determining the aggregate number of stockholders in a group, a “group of investment companies,” as such term is defined in Section 12(d)(1)(G) (ii) of the Investment Company Act of 1940, as amended, (a “Qualifying Fund Family”) shall be treated as one stockholder. Not later than the deadline for delivery of the Notice of Proxy Access Nomination pursuant to this Section 11, a Qualifying Fund Family whose stock ownership is counted for purposes of determining whether a stockholder or group of stockholders qualifies as an Eligible Stockholder shall provide to the Secretary of the Corporation such documentation as is reasonably satisfactory to the Board of Directors, in its sole discretion, that demonstrates that the funds comprising the Qualifying Fund Family satisfy the definition hereof. When an Eligible Stockholder is comprised of a group, a violation of any provision of these By-laws by any member of the group shall be deemed a violation by the entire Eligible Stockholder group. No person may be a member of more than one group of persons constituting an Eligible Stockholder with respect to any Annual Meeting.

(4) In addition to providing the Notice of Proxy Access Nomination in accordance with Section 11(b)(1) above, in order to nominate a Stockholder Nominee pursuant to this Section 11, an Eligible Stockholder or the Stockholder Nominee, as applicable, must provide the following information in writing to the Secretary of the Corporation within the time period specified in this Section 11 for delivering the Notice of Proxy Access Nomination:

(A) one or more written statements from the record holders of the Required Shares or from the intermediaries through which the Required Shares are or have been held during the Minimum Holding Period verifying that, as of a date within seven business days prior to the date the Notice of Proxy Access Nomination is received by the Secretary of the Corporation, the Eligible Stockholder owns, and has owned continuously for the Minimum Holding Period, the Required Shares, and the Eligible Stockholder’s agreement to provide the updates and supplements (or written notices stating that there are no such updates or supplements) described in Section 11(b)(2) within the time periods set forth therein;

(B) a copy of the Schedule 14N filed or to be filed with the Securities and Exchange Commission (and, if not included in such Schedule 14N, the details of any relationship that existed within the past three years and that would have been described pursuant to Item 6(e) of Schedule 14N (or any successor item) if it existed on the date of submission of the Schedule 14N);

(C) the Required Information (with the Statement, if any, clearly and specifically identified as such) and all other information, representations and agreements that are required to be set forth in a stockholder’s notice, or provided to the Corporation in order to nominate an individual for election as a director, pursuant to Section 2 of this Article II;

(D) the written consent of each Stockholder Nominee to being named in the proxy statement as a nominee and to serving as a director if elected;

(E) in the case of a Notice of Proxy Access Nomination that is submitted by an Eligible Stockholder that is comprised of a group of stockholders, the designation by all of such stockholders of one of such stockholders who is authorized to act on behalf of all of such stockholders with respect to all matters relating to the nomination or inclusion in the Corporation’s proxy materials of the Stockholder Nominee(s) nominated by such Eligible Stockholder, including, without limitation, the withdrawal of such nomination;

(F) an agreement by each Stockholder Nominee, upon such Stockholder Nominee’s election, to make such acknowledgements, enter into such agreements and provide such information as the Board of Directors requires of all directors at such time, including without limitation, agreeing to be bound by the Corporation’s code of ethics, insider trading policies and procedures and other similar policies and procedures;

(G) a representation (in the form provided by the Secretary of the Corporation upon written request) that the Eligible Stockholder (I) acquired the Required Shares in the ordinary course of business and not with the intent to change or influence control at the Corporation, and that the Eligible Stockholder does not presently have such intent, (II) has not nominated and will not nominate for election to the Board of Directors at the Annual Meeting (or any postponement or adjournment thereof) any person other than the Stockholder Nominee(s) being nominated pursuant to this Section 11, (III) has not engaged and will not engage in, and has not and will not be a “participant” in, another person’s “solicitation” within the meaning of Rule 14a-1(I) under the Exchange Act in support of the election of any individual as a director at the Annual Meeting other than its Stockholder Nominee(s) or a nominee of the Board of Directors, (IV) will not distribute to any stockholder any form of proxy for the Annual Meeting other than the form of proxy distributed by the Corporation, (V) agrees to comply with all other laws and regulations applicable to any solicitation in connection with the Annual Meeting, including, without limitation, Rule 14a-9 promulgated under the Exchange Act, (VI) meets the requirements set forth in this Section 11, and (VII) has provided and will continue to provide facts, statements and other information in all communications with the Corporation and its stockholders in connection with the nomination hereunder that is or will be true and correct in all material respects and does not and will not omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and

(H) a written undertaking (in the form provided by the Secretary of the Corporation upon written request) that the Eligible Stockholder agrees to (I) assume all liability stemming from any legal or regulatory violation arising out of the communications with stockholders of the Corporation by the Eligible Stockholder, its affiliates and associates, or their respective agents or representatives, either before or after the furnishing of the Notice of Proxy Access Nomination, or out of the facts, statements or information that the Eligible Stockholder or its Stockholder Nominee(s) has provided or will provide to the Corporation or filed with the Securities and Exchange Commission, (II) indemnify and hold harmless the Corporation and each of its directors, officers, agents, employees, affiliates, control persons or other persons acting on behalf of the Corporation individually against any liability, loss or damages in connection with any threatened or pending action, suit or proceeding, whether legal, administrative or investigative, against the Corporation or any of its directors, officers, agents, employees, affiliates, control persons or other persons acting on behalf of the Corporation arising out of any nomination of a Stockholder Nominee submitted by the Eligible Stockholder pursuant to this Section 11, and (III) promptly provide to the Corporation such additional information as requested pursuant to this Section 11.

In connection with Section 11(d)(4)(A), if any intermediary that verifies the Eligible Stockholder’s ownership of the Required Shares for the Minimum Holding Period is not the record holder of such shares, a Depository Trust Company (“DTC”) participant or an affiliate of a DTC participant, then the Eligible Stockholder will also need to provide a written statement as required by Section 11(d)(4)(A) from the record holder of such shares, a DTC participant or an affiliate of a DTC participant that can verify the holdings of such intermediary.

(e) Stockholder Nominee Requirements.

(1) Notwithstanding anything in these By-laws to the contrary, the Corporation shall not be required to include, pursuant to this Section 11, any Stockholder Nominee in its proxy materials (and no such Stockholder Nominee may be nominated pursuant to this Section 11) for any Annual Meeting (A) for which the Secretary of the Corporation receives a notice that the Eligible Stockholder or any other stockholder of the Corporation has nominated one or more persons for election to the Board of Directors pursuant to the advance notice requirements for nominees for director set forth in Section 2 of this Article II, (B) if the Eligible Stockholder who has nominated such Stockholder Nominee has engaged in or is currently engaged in, or has been or is a “participant” in another person’s “solicitation” within the meaning of Rule 14a-1(l) under the Exchange Act, in support of the election of any individual as a director at the Annual Meeting other than its Stockholder Nominee(s) or a nominee of the Board of Directors, (C) if such Stockholder Nominee is or becomes a party to any compensatory, payment or other financial agreement, arrangement or understanding with any person or entity other than the Corporation, or is receiving or will receive any such compensation or other payment from any person or entity other than the Corporation, in each case, in connection with service as a director of the Corporation, (D) who is not independent under the listing standards of each principal U.S. exchange upon which the common stock of the Corporation is listed, any applicable rules of the Securities and Exchange Commission and any publicly disclosed standards used by the Board of Directors in determining and disclosing independence of the Corporation’s directors, in each case, as determined by the Board of Directors or any committee thereof, (E) who does not meet the audit committee and compensation committee independence requirements under the rules of the primary stock exchange on which the shares of common stock of the Corporation are listed, (F) who is not a “non-employee director” for the purposes of Rule 16b-3 under the Exchange Act (or any successor rule), (G) whose election as a member of the Board of Directors would cause the Corporation to be in violation of these By-laws, the Certificate, the rules and listing standards of the principal U.S. exchanges upon which the common stock of the Corporation is listed or over-the-counter market on which any securities of the Corporation are traded, or any applicable state or federal law, rule or regulation, (H) who provides any information to the Corporation or its stockholders required or requested pursuant to any provision of these By-laws that is not accurate, truthful and complete in all material respects, or that otherwise contravenes any of the agreements, representations or undertakings made by the Stockholder Nominee in connection with the nomination, (I) who is or has been, within the past three years, an officer or director of a competitor, as defined in Section 8 of the Clayton Antitrust Act of 1914, (J) who is a defendant in or named subject of a pending criminal proceeding (excluding traffic violations) or has been convicted or has pleaded nolo contendere in such a criminal proceeding within the past ten (10) years, (K) is subject to any order of the type specified in Rule 506(d) of Regulation D promulgated under the Securities Act of 1933, as amended, (L) if such Stockholder Nominee or the applicable Eligible Stockholder shall have provided information to the Corporation in respect of such nomination that was untrue in any material respect or omitted to state a material fact necessary in order to make the statement made, in light of the circumstances under which they were made, not misleading, as determined by the Board of Directors or any committee thereof or (M) the Eligible Stockholder or applicable Stockholder Nominee fails to comply with its obligations pursuant to this Section 11.

(2) Any Stockholder Nominee who is included in the Corporation’s proxy materials for a particular Annual Meeting but either (A) withdraws from or becomes ineligible or unavailable for election to the Board of Directors at such Annual Meeting, or (B) does not receive a number of “for” votes equal to at least 25% of the number of shares present and entitled to vote for the election of directors, will be ineligible for nomination or inclusion in the Corporation’s proxy materials as a Stockholder Nominee pursuant to this Section 11 for the next two Annual Meetings.

(3) Notwithstanding anything to the contrary set forth herein, if the Board of Directors or a designated committee thereof determines that any stockholder nomination was not made in accordance with the terms of this Section 11 or that the information provided in a Notice of Proxy Access Nomination does not satisfy the informational requirements of this Section 11 in any material respect, then such nomination shall not be considered at the applicable Annual Meeting. If neither the Board of Directors nor such committee makes a determination as to whether a nomination was made in accordance with the provisions of this Section 11, the presiding officer of the Annual Meeting shall determine whether a nomination was made in accordance with such provisions. If the presiding officer determines that any stockholder nomination was not made in accordance with the terms of this Section 11 or that the information provided in a stockholder’s notice does not satisfy the informational requirements of this Section 11 in any material respect, then such nomination shall not be considered at the applicable Annual Meeting. Additionally, such nomination will not be considered at the Annual Meeting in question if the Eligible Stockholder (or a qualified representative thereof) does not appear at the applicable Annual Meeting to present any nomination of the Stockholder Nominee(s) included in the Corporation’s proxy materials pursuant to this Section 11. For purposes of this Section 11, to be considered a qualified representative of a stockholder, a person must be authorized by a written instrument executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such written instrument or electronic transmission, or a reliable reproduction of the written instrument or electronic transmission, to the presiding officer at the meeting of stockholders. If the Board of Directors, a designated committee thereof or the presiding officer determines that a nomination was made in accordance with the terms of this Section 11, the presiding officer shall so declare at the applicable Annual Meeting and ballots shall be provided for use at such meeting with respect to such Stockholder Nominee.

(f) This Section 11 provides the exclusive method for stockholders to include nominees for director in the Corporation's proxy materials. A stockholder's compliance with the procedures set forth in this Section 11 will not also be deemed to constitute compliance with the procedures set forth in, or notice pursuant to, Section 2 of this Article II.

(g) For the avoidance of doubt, the Corporation may solicit against, and include in the proxy statement its own statement relating to, any Stockholder Nominee.

(h) For purposes of this Section 11, any determination to be made by the Board of Directors may be made by the Board of Directors, a committee of the Board of Directors or any officer of the Corporation designated by the Board of Directors or a committee of the Board of Directors, and any such determination shall be final and binding on the Corporation, any Eligible Holder, Stockholder Nominee and any other person so long as made in good faith (without any further requirements). The presiding officer of any Annual Meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall have the power and duty to determine whether a Stockholder Nominee has been nominated in accordance with the requirements of this Section 11 and, if not so nominated, shall direct and declare at the meeting that such Stockholder Nominee shall not be considered.

ARTICLE III

Directors

SECTION 1. General Power; Number. The property, affairs and business of the Corporation shall be managed by or under the direction of its Board of Directors, except as otherwise provided by the Certificate or required by law. The Board of Directors shall consist of not less than one (1) nor more than twenty (20) persons. The exact number of directors within the maximum and minimum limitations specified shall be fixed solely and exclusively by resolution duly adopted from time to time by the Board of Directors.

SECTION 2. Term of Office. Each director (whether elected at an annual meeting, or to fill a vacancy or newly created directorship or otherwise) shall hold office until his or her successor shall be elected and shall qualify or until his or her earlier resignation, death or removal.

SECTION 3. Meetings. Meetings of the Board of Directors shall be held at such place within or outside of the State of Delaware as may from time to time be fixed by resolution of the Board of Directors, or as may be specified in the notice of the meeting. Regular meetings of the Board of Directors shall be held at such times as may from time to time be fixed by resolution of the Board of Directors. Special meetings may be held at any time upon the call of the Chair of the Board or Chief Executive Officer or a majority of the directors. Notice of any special meeting of the Board of Directors shall be given to each director in person, by telephone, or by electronic mail or other form of electronic communication, sent to his or her business, electronic mail or home address, at least twenty-four (24) hours in advance of the meeting, or by written notice mailed to his or her business, electronic mail or home address, at least forty-eight (48) hours in advance of the meeting *provided, however,* that if the Chair of the Board or the President determines that it is otherwise necessary or advisable to hold the meeting sooner, then the Chair of the Board or the President, as the case may be, may prescribe a shorter time period for notice to be given personally or by telephone, electronic mail or other similar means of communication. Such notice shall be deemed to be delivered when hand-delivered to such address; read to such director by telephone; deposited in the mail so addressed, with postage thereon prepaid, if mailed; or dispatched or transmitted if sent by electronic mail or other form of electronic communications. A meeting of the Board of Directors may be held without notice immediately after an Annual Meeting. Notice need not be given of regular meetings of the Board of Directors. A written waiver of notice signed or electronically transmitted before or after a meeting by a director and filed with the records of the meeting shall be deemed to be equivalent to notice of the meeting. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because such meeting is not lawfully called or convened. Except as otherwise required by law, by the Certificate or by these By-laws, neither the business to be transacted at, nor the purpose of, any meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

SECTION 4. Quorum. A majority of the members of the Board of Directors then in office shall constitute a quorum for the transaction of business; provided, however, that a quorum of directors shall not be less than 1/3 of the total number of directors.

SECTION 5. Vacancies. Vacancies in the Board of Directors shall be filled in the manner provided in the Certificate.

SECTION 6. Removal from Office. Directors may be removed from office only in the manner provided in the Certificate.

SECTION 7. Qualification. No director need be a stockholder of the Corporation.

SECTION 8. Resignation. A director may resign at any time by giving written notice or notice by electronic transmission to the Chair of the Board, if one is elected, the President or the Secretary. A resignation shall be effective upon receipt, unless the resignation otherwise provides. A resignation which is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable.

SECTION 9. Action at Meeting. At any meeting of the Board of Directors at which a quorum is present, the vote of a majority of the directors present shall constitute action by the Board of Directors, unless otherwise required by law, by the Certificate or by these By-laws.

SECTION 10. Action without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting if all members of the Board of Directors or of the committee, as the case may be, consent thereto in writing or by electronic transmission and any consent may be documented, signed and delivered in any manner permitted by Section 116 of the DGCL. After an action is taken, the consent or consents relating thereto shall be filed with the minutes of proceedings of the Board of Directors or committee in the same paper or electronic form as the minutes are maintained. Such consent shall be treated as a resolution of the Board of Directors for all purposes.

SECTION 11. Regulations; Manner of Acting. To the extent consistent with law, the Certificate and these By-laws, the Board of Directors and any committee thereof may adopt such rules and regulations for the conduct of meetings of the Board of Directors or such committee and for the management of the property, affairs and business of the Corporation as the Board of Directors may deem appropriate. Members of the Board of Directors and any committee thereof may participate in a meeting of the Board of Directors or such committee by means of video conference, conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting for all purposes of these By-laws.

SECTION 12. Compensation. Directors may, by resolution of the Board of Directors or a designated committee thereof, be allowed a fixed sum and expenses for attendance at regular or special meetings of the Board of Directors; provided that directors who are serving the Corporation as employees and who receive compensation for their services as such, shall not receive any salary or other compensation for their services as directors of the Corporation. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees, and others who attend pursuant to direction, may, by vote of the Board of Directors, be allowed a like fixed sum and expenses of attendance for attending committee meetings.

SECTION 13. Executive Committee. The Board of Directors, in its discretion, may, by a resolution adopted by a vote of a majority of the whole Board of Directors, appoint an Executive Committee consisting of one or more members of the Board of Directors, who shall serve at the pleasure of the Board of Directors. The Executive Committee shall, to the fullest extent permitted by law, have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it. The Executive Committee shall also have the power and authority to declare a dividend and to authorize the issuance of stock. The Executive Committee powers shall be subject to the limitations set forth in Section 141(c) of the Delaware General Corporation Law, as amended. The Executive Committee shall also have authority to adopt a certificate of ownership and merger pursuant to Section 253 of the Delaware General Corporation Law, as amended.

SECTION 14. Other Committees. The Board of Directors, in its discretion, by a vote of a majority of the whole Board of Directors, may appoint one or more committees (in addition to the Executive Committee), each consisting of one or more directors. Each such committee shall have such powers and duties as may be provided by resolution or resolutions of the Board of Directors, subject to any limitations imposed by applicable law. All members of such committees shall hold such offices at the pleasure of the Board of Directors. The Board of Directors may abolish any such committee at any time. Any committee to which the Board of Directors delegates any of its powers or duties shall keep records of its meetings and shall report its action to the Board of Directors.

ARTICLE IV

Officers

SECTION 1. General. The officers of the Corporation shall be appointed by the Board of Directors and shall be a Chief Executive Officer, a President, one or more Vice Presidents (one or more of which may be designated Executive or Senior Vice Presidents by the Board of Directors), a Secretary and a Treasurer. From time to time the Board of Directors may appoint such Assistant Secretaries, Assistant Treasurers and such other officers, agents and employees as it may deem proper. Any number of offices may be held by the same person. Subject to Article V and such limitations as the Board of Directors may from time to time proscribe, each such office shall have such powers and perform such duties as generally pertain to their respective offices, as well as such powers as duties as the Board of Directors may from time to time designate or confer. The Chief Executive Officer shall be chosen from among the members of the Board of Directors. The Board of Directors may also appoint a non-executive Chair of the Board, who shall be chosen from among the members of the Board of Directors.

SECTION 2. Term. All officers shall hold their offices until their respective successors are elected and qualify, or until their earlier resignation or removal. Any officer may be removed from office, either with or without cause, at any time by the affirmative vote of the Board of Directors. Any officer may resign by delivering his or her written or electronically transmitted resignation to the Corporation addressed to the President or the Secretary and such resignation shall be effective upon receipt, unless the resignation otherwise provides.

SECTION 3. Power to Vote Securities Owned by the Corporation. Unless otherwise ordered by the Board of Directors, the Chief Executive Officer and the President, acting singly or together, shall have full power and authority on behalf of the Corporation to attend, to act and to vote at any meetings of security holders of the corporations or other entities in which the Corporation may hold securities, and at any such meetings shall possess and may exercise any and all the rights and powers incident to the ownership of such securities, and which, as the owner thereof, the Corporation might have possessed and exercised, if present. The Board of Directors by resolution from time to time may confer like powers upon any other person or persons.

ARTICLE V

Duties of Officers

SECTION 1. Chair of the Board. If there is a Chair of the Board, he or she shall preside at all meetings of the Board of Directors and of the stockholders and the Chair of the Board shall have and perform such other duties as from time to time may be assigned to him or her by the Board of Directors.

SECTION 2. Chief Executive Officer. The Chief Executive Officer of the Corporation shall be the principal executive officer of the Corporation and shall have general charge and control of all the property, business and affairs of the Corporation and, subject to the supervision of the Board of Directors, the Chief Executive Officer shall have general supervision over the Corporation's officers, employees and agents. The Chief Executive Officer shall, in the absence of the Chair of the Board, preside at meetings of the stockholders and of the Board of Directors and shall, in case of a vacancy in the office of the Chair of the Board, have the power to perform the duties incident to such office. The Chief Executive Officer may sign certificates representing the stock of the Corporation authorized for issuance by the Board of Directors or the Executive Committee. The Chief Executive Officer may enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation in the ordinary course of the Corporation's business. The Chief Executive Officer shall have all powers and perform all duties incident to the office of a chief executive officer of a corporation and such other duties as are given to the Chief Executive Officer by these By-laws or as from time to time may be assigned to the Chief Executive Officer by the Board of Directors.

SECTION 3. President. The President shall, in the absence of the Chair of the Board and the Chief Executive Officer, preside at meetings of the stockholders and shall, in case of a vacancy in the office of the Chief Executive Officer, have the power to perform the duties incident to such office other than for presiding at meetings of the Board of Directors unless the President shall be a member of the Board of Directors.

SECTION 4. Vice Presidents. Each Vice President shall have such powers and perform such duties as may be assigned to him or her by the Board of Directors, the Chief Executive Officer or the President. At the request or in the absence or disability of the Chief Executive Officer, the President, the Vice President (or if none shall have been designated, the senior of the Vice Presidents present and able to act or such other Vice President as may be designated by the Board of Directors) may perform all the duties of such officers and, when so acting, shall have all the powers of and be subject to all the restrictions upon such officers. Any Vice President may sign certificates representing stock of the Corporation authorized for issuance by the Board of Directors or the Executive Committee.

SECTION 5. Treasurer. The Treasurer shall have the custody of all the funds and securities of the Corporation. When necessary or proper the Treasurer shall endorse on behalf of the Corporation, for collection, checks, notes and other obligations and shall deposit the same to the credit of the Corporation in such bank, or banks, or depositories as may be designated by the Board of Directors, or by any officer acting under authority conferred by the Board of Directors. The Treasurer shall enter regularly in books to be kept for the purpose, a full and accurate account of all moneys received and paid by him or her on account of the Corporation. Whenever required by the Board of Directors, the Treasurer shall render an account of all his or her transactions as Treasurer and of the financial condition of the Corporation. The Treasurer shall at all reasonable times exhibit his or her books and accounts to any director of the Corporation upon application at the office of the Corporation during business hours and the Treasurer shall perform all things incident to the position of Treasurer, subject to the control of the Board of Directors. The Treasurer shall give bond for the faithful discharge of his or her duties if the Board of Directors so requires. The Treasurer may sign certificates representing stock of the Corporation authorized for issuance by the Board of Directors or the Executive Committee. The Treasurer shall perform, in general, all duties incident to the office of a treasurer of a corporation and such other duties as are given to him or her by these By-laws or as from time may be assigned to him or her by the Board of Directors, the Chief Executive Officer or the President.

SECTION 6. Assistant Treasurers. The Board of Directors may, from time to time, designate and elect one or more Assistant Treasurers who shall have such powers and perform such duties as may be assigned to them by the Board of Directors or the Treasurer. At the request or in the absence or disability of the Treasurer, the Assistant Treasurer (or, if there are two or more Assistant Treasurers, then the senior of the Assistant Treasurers present and able to act or such other Assistant Treasurer as may be designated by the Board of Directors) may perform all the duties of the Treasurer and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Treasurer.

SECTION 7. Secretary. The Secretary shall attend to the giving and serving of all notices of the Corporation. The Secretary shall keep or cause to be kept a record of the proceedings of the meetings of the stockholders and of the Board of Directors in books kept for that purpose. The Secretary shall be the custodian of the seal of the Corporation, and cause such seal (or a facsimile thereof) to be affixed to all certificates representing the stock of the Corporation prior to the issuance thereof and to all instruments the execution of which on behalf of the Corporation under its seal shall have been duly authorized in accordance with these By-laws, and when so affixed the Secretary may attest the same. The Secretary shall have charge of the records of the Corporation, including the stock books and such other books, reports, statements and other documents as the Board of Directors may direct to be kept or as are required by law to be kept all of which shall at all reasonable times be open to inspection by any director. The Secretary shall sign certificates representing stock of the Corporation authorized for issuance by the Board of Directors or the Executive Committee. The Secretary shall perform all duties incident to the office of a secretary of a corporation and such other duties as are given to him or her by these By-laws or as from time to time may be assigned to him or her by the Board of Directors, the Chairman of the Board or the President.

SECTION 8. Assistant Secretaries. The Board of Directors may, from time to time, designate and elect one or more Assistant Secretaries who shall have such powers and perform such duties as may be assigned to them by the Board of Directors or the Secretary. At the request or in the absence of the Secretary, the Assistant Secretary (or, if there are two or more Assistant Secretaries, then the senior of the Assistant Secretaries present and able to act or such other Assistant Secretary as may be designated by the Board of Directors) may perform all the duties of the Secretary and, when so acting, shall have all the powers of and be subject to all the restrictions upon the Secretary.

SECTION 9. Delegation by Board of Directors. In the case of absence or inability to act of any officer of the Corporation and of any person herein authorized to act in his or her place, the Board of Directors may from time to time delegate the powers of such officer to any other officer or any director or any other person whom it may select.

ARTICLE VI

Capital Stock

SECTION 1. Certificates of Stock.

- (a) The shares of the Corporation shall be represented by certificates, provided that the Board of Directors may provide by resolution or resolutions that some or all of any or all classes or series of stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock represented by certificates shall be entitled to have a certificate signed by or in the name of the Corporation by any two authorized officers of the Corporation (it being understood that each of the Chair of the Board of Directors, the Vice Chair of the Board of Directors, the Chief Executive Officer, the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary and any Assistant Secretary shall be an authorized officer for such purpose), certifying the number of shares owned by him or her in the Corporation. The Board of Directors may determine that all classes or series of the Corporation's stock are to be uncertificated, whether upon original issuance, re-issuance or subsequent transfer.
- (b) Certificates representing shares of stock of the Corporation shall be in such form as shall be approved by the Board of Directors.
- (c) There shall be entered upon the stock books of the Corporation at the time of issuance of each share the number of the certificate issued, the name of the person owning the shares represented thereby, the number and class of such shares, and the date of issuance thereof. Every certificate exchanged or returned to the Corporation shall be marked "Cancelled", with the date of cancellation.

SECTION 2. Transfers of Stock. Subject to any restrictions on transfer and unless otherwise provided by the Board of Directors, shares of stock that are represented by a certificate may be transferred on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate theretofore properly endorsed or accompanied by a written assignment or power of attorney properly executed, with transfer stamps (if necessary) affixed, and with such proof of the authenticity of signature as the Corporation or its transfer agent may reasonably require. Shares of stock that are not represented by a certificate may be transferred on the books of the Corporation by submitting to the Corporation or its transfer agent such evidence of transfer and following such other procedures as the Corporation or its transfer agent may require.

SECTION 3. Record Holders. Except as may otherwise be required by law, by the Certificate or by these By-laws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect thereto, regardless of any transfer, pledge or other disposition of such stock, until the shares have been transferred on the books of the Corporation in accordance with the requirements of these By-laws.

SECTION 4. Record Date.

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

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

SECTION 5. Replacement of Certificates. In case of the alleged loss, destruction or mutilation of a certificate of stock of the Corporation, a duplicate certificate may be issued in place thereof, upon such terms as the Corporation may prescribe.

ARTICLE VII

Corporate Seal

The Corporate Seal of the Corporation shall be circular in form and shall bear the name of the Corporation, the year of incorporation and the words, "Corporate Seal" and "Delaware". The form of the seal shall be subject to alteration by the Board of Directors and the seal may be used by causing it or a facsimile to be impressed or affixed or printed or otherwise reproduced. Any officer or director of the Corporation shall have authority to affix the corporate seal of the Corporation to any document requiring the same, and to attest the same.

ARTICLE VIII

Indemnification and Insurance

SECTION 1. Definitions. For purposes of this Article

- (a) "Corporate Status" describes the status of a person who is serving or has served (i) as a Director of the Corporation, (ii) as an Officer of the Corporation, (iii) as a Non-Officer Employee of the Corporation, or (iv) as a director, partner, trustee, officer, employee or agent of any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan, foundation, association, organization or other legal entity which such person is or was serving at the request of the Corporation. For purposes of this Section 1(a) of Article VIII, a Director, Officer or Non-Officer Employee of the Corporation who is serving or has served as a director, partner, trustee, officer, employee or agent of a Subsidiary shall be deemed to be serving at the request of the Corporation. Notwithstanding the foregoing, "Corporate Status" shall not include the status of a person who is serving or has served as a director, officer, employee or agent of a constituent corporation absorbed in a merger or consolidation transaction with the Corporation with respect to such person's activities prior to said transaction, unless specifically authorized by the Board of Directors or the stockholders of the Corporation;
- (b) "Director" means any person who serves or has served the Corporation as a director on the Board of Directors;
- (c) "Disinterested Director" means, with respect to each Proceeding in respect of which indemnification is sought hereunder, a Director who is not and was not a party to such Proceeding;
- (d) "Expenses" means all attorneys' fees, retainers, court costs, transcript costs, fees of expert witnesses, private investigators and professional advisors (including, without limitation, accountants and investment bankers), travel expenses, duplicating costs, printing and binding costs, costs of preparation of demonstrative evidence and other courtroom presentation aids and devices, costs incurred in connection with document review, organization, imaging and computerization, telephone charges, postage, delivery service fees, and all other disbursements, costs or expenses of the type customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settling or otherwise participating in, a Proceeding;
- (e) "Liabilities" means judgments, damages, liabilities, losses, penalties, excise taxes, fines and amounts paid in settlement;
- (f) "Non-Officer Employee" means any person who serves or has served as an employee or agent of the Corporation, but who is not or was not a Director or Officer;
- (g) "Officer" means any person who serves or has served the Corporation as an officer of the Corporation appointed by the Board of Directors;

(h) “Proceeding” means any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, inquiry, investigation, administrative hearing or other proceeding, whether civil, criminal, administrative, arbitral or investigative; and

(i) “Subsidiary” means any corporation, partnership, limited liability company, joint venture, trust or other entity of which the Corporation owns (either directly or through or together with another Subsidiary of the Corporation) either (i) a general partner, managing member or other similar interest or (ii) (A) fifty percent (50%) or more of the voting power of the voting capital equity interests of such corporation, partnership, limited liability company, joint venture or other entity, or (B) fifty percent (50%) or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other entity.

SECTION 2. Indemnification of Directors and Officers.

(a) Subject to the operation of Section 4 of this Article VIII of these By-laws, each Director and Officer shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, and to the extent authorized in this Section 2.

(1) Actions, Suits and Proceedings Other than By or In the Right of the Corporation. Each Director and Officer shall be indemnified and held harmless by the Corporation against any and all Expenses and Liabilities that are incurred or paid by such Director or Officer or on such Director’s or Officer’s behalf in connection with any Proceeding or any claim, issue or matter therein (other than an action by or in the right of the Corporation), which such Director or Officer is, or is threatened to be made, a party to or participant in by reason of such Director’s or Officer’s Corporate Status, if such Director or Officer acted in good faith and in a manner such Director or Officer reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

(2) Actions, Suits and Proceedings By or In the Right of the Corporation. Each Director and Officer shall be indemnified and held harmless by the Corporation against any and all Expenses that are incurred by such Director or Officer or on such Director’s or Officer’s behalf in connection with any Proceeding or any claim, issue or matter therein by or in the right of the Corporation, which such Director or Officer is, or is threatened to be made, a party to or participant in by reason of such Director’s or Officer’s Corporate Status, if such Director or Officer acted in good faith and in a manner such Director or Officer reasonably believed to be in or not opposed to the best interests of the Corporation; provided, however, that no indemnification shall be made under this Section 2(a)(2) in respect of any claim, issue or matter as to which such Director or Officer shall have been finally adjudged by a court of competent jurisdiction to be liable to the Corporation, unless, and only to the extent that, the Court of Chancery of the State of Delaware or another court in which such Proceeding was brought shall determine upon application that, despite adjudication of liability, but in view of all the circumstances of the case, such Director or Officer is fairly and reasonably entitled to indemnification for such Expenses that such court deems proper.

(3) Survival of Rights. The rights of indemnification provided by this Section 2 shall continue as to a Director or Officer after he or she has ceased to be a Director or Officer and shall inure to the benefit of his or her heirs, executors, administrators and personal representatives.

(4) Actions by Directors or Officers. Notwithstanding the foregoing, the Corporation shall indemnify any Director or Officer seeking indemnification in connection with a Proceeding initiated by such Director or Officer only if such Proceeding (including any parts of such Proceeding not initiated by such Director or Officer) was authorized in advance by the Board of Directors, unless such Proceeding was brought to enforce such Officer’s or Director’s rights to indemnification or, in the case of Directors, advancement of Expenses under these By-laws in accordance with the provisions set forth herein.

SECTION 3. Indemnification of Non-Officer Employees. Subject to the operation of Section 4 of this Article VIII of these By-laws, each Non-Officer Employee may, in the discretion of the Board of Directors, be indemnified by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, against any or all Expenses and Liabilities that are incurred by such Non-Officer Employee or on such Non-Officer Employee's behalf in connection with any threatened, pending or completed Proceeding, or any claim, issue or matter therein, which such Non-Officer Employee is, or is threatened to be made, a party to or participant in by reason of such Non-Officer Employee's Corporate Status, if such Non-Officer Employee acted in good faith and in a manner such Non-Officer Employee reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The rights of indemnification provided by this Section 3 shall exist as to a Non-Officer Employee after he or she has ceased to be a Non-Officer Employee and shall inure to the benefit of his or her heirs, personal representatives, executors and administrators. Notwithstanding the foregoing, the Corporation may indemnify any Non-Officer Employee seeking indemnification in connection with a Proceeding initiated by such Non-Officer Employee only if such Proceeding was authorized in advance by the Board of Directors.

SECTION 4. Determination. Unless ordered by a court, no indemnification shall be provided pursuant to this Article VIII to a Director, to an Officer or to a Non-Officer Employee unless a determination shall have been made that such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal Proceeding, such person had no reasonable cause to believe his or her conduct was unlawful. Such determination shall be made by (a) a majority vote of the Disinterested Directors, even though less than a quorum of the Board of Directors, (b) a committee comprised of Disinterested Directors, such committee having been designated by a majority vote of the Disinterested Directors (even though less than a quorum), (c) if there are no such Disinterested Directors, or if a majority of Disinterested Directors so directs, by independent legal counsel in a written opinion, or (d) by the stockholders of the Corporation.

SECTION 5. Advancement of Expenses to Directors Prior to Final Disposition.

(a) The Corporation shall advance all Expenses incurred by or on behalf of any Director in connection with any Proceeding in which such Director is involved by reason of such Director's Corporate Status within thirty (30) days after the receipt by the Corporation of a written statement from such Director requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by such Director and shall be preceded or accompanied by an undertaking by or on behalf of such Director to repay any Expenses so advanced if it shall ultimately be determined that such Director is not entitled to be indemnified against such Expenses. Notwithstanding the foregoing, the Corporation shall advance all Expenses incurred by or on behalf of any Director seeking advancement of Expenses hereunder in connection with a Proceeding initiated by such Director only if such Proceeding (including any parts of such Proceeding not initiated by such Director) was (i) authorized by the Board of Directors, or (ii) brought to enforce such Director's rights to indemnification or advancement of Expenses under these By-laws.

(b) If a claim for advancement of Expenses hereunder by a Director is not paid in full by the Corporation within thirty (30) days after receipt by the Corporation of documentation of Expenses and the required undertaking, such Director may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and if successful in whole or in part, such Director shall also be entitled to be paid the Expenses of prosecuting such claim. The burden of proving that a Director is not entitled to an advancement of Expenses shall be on the Corporation.

(c) In any suit brought by the Corporation to recover an advancement of Expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such Expenses upon a final adjudication that the Director has not met any applicable standard for indemnification set forth in the DGCL.

SECTION 6. Advancement of Expenses to Officers and Non-Officer Employees Prior to Final Disposition.

(a) The Corporation may, at the discretion of the Board of Directors, advance any or all Expenses incurred by or on behalf of any Officer or any Non-Officer Employee in connection with any Proceeding in which such person is involved by reason of his or her Corporate Status as an Officer or Non-Officer Employee upon the receipt by the Corporation of a statement or statements from such Officer or Non-Officer Employee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by such Officer or Non-Officer Employee and shall be preceded or accompanied by an undertaking by or on behalf of such person to repay any Expenses so advanced if it shall ultimately be determined that such Officer or Non-Officer Employee is not entitled to be indemnified against such Expenses.

(b) In any suit brought by the Corporation to recover an advancement of Expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such Expenses upon a final adjudication that the Officer or Non-Officer Employee has not met any applicable standard for indemnification set forth in the DGCL.

SECTION 7. Contractual Nature of Rights.

(a) The provisions of this Article VIII shall be deemed to be a contract between the Corporation and each Director and Officer entitled to the benefits hereof at any time while this Article VIII is in effect, in consideration of such person's past or current and any future performance of services for the Corporation. Neither amendment, repeal or modification of any provision of this Article VIII nor the adoption of any provision of the Certificate inconsistent with this Article VIII shall eliminate or reduce any right conferred by this Article VIII in respect of any act or omission occurring, or any cause of action or claim that accrues or arises or any state of facts existing, at the time of or before such amendment, repeal, modification or adoption of an inconsistent provision (even in the case of a proceeding based on such a state of facts that is commenced after such time), and all rights to indemnification and advancement of Expenses granted herein or arising out of any act or omission shall vest at the time of the act or omission in question, regardless of when or if any proceeding with respect to such act or omission is commenced. The rights to indemnification and to advancement of Expenses provided by, or granted pursuant to, this Article VIII shall continue notwithstanding that the person has ceased to be a director or officer of the Corporation and shall inure to the benefit of the estate, heirs, executors, administrators, legatees and distributees of such person.

(b) If a claim for indemnification hereunder by a Director or Officer is not paid in full by the Corporation within sixty (60) days after receipt by the Corporation of a written claim for indemnification, such Director or Officer may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, such Director or Officer shall also be entitled to be paid the expenses of prosecuting such claim. The failure of the Corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) to make a determination concerning the permissibility of such indemnification under this Article VIII shall not be a defense to an action brought by a Director or Officer for recovery of the unpaid amount of an indemnification claim and shall not create a presumption that such indemnification is not permissible. The burden of proving that a Director or Officer is not entitled to indemnification shall be on the Corporation.

(c) In any suit brought by a Director or Officer to enforce a right to indemnification hereunder, it shall be a defense that such Director or Officer has not met any applicable standard for indemnification set forth in the DGCL.

SECTION 8. Non-Exclusivity of Rights. The rights to indemnification and to advancement of Expenses set forth in this Article VIII shall not be exclusive of any other right which any Director, Officer, or Non-Officer Employee may have or hereafter acquire under any statute, provision of the Certificate or these By-laws, agreement, vote of stockholders or Disinterested Directors or otherwise.

SECTION 9. Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any Director, Officer or Non-Officer Employee against any liability of any character asserted against or incurred by the Corporation or any such Director, Officer or Non-Officer Employee, or arising out of any such person's Corporate Status, whether or not the Corporation would have the power to indemnify such person against such liability under the DGCL or the provisions of this Article VIII.

SECTION 10. Other Indemnification. The Corporation's obligation, if any, to indemnify or provide advancement of Expenses to any person under this Article VIII as a result of such person serving, at the request of the Corporation, as a director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount such person may collect as indemnification or advancement of Expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or enterprise (the "Primary Indemnitor"). Any indemnification or advancement of Expenses under this Article VIII owed by the Corporation as a result of a person serving, at the request of the Corporation, as a director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall only be in excess of, and shall be secondary to, the indemnification or advancement of Expenses available from the applicable Primary Indemnitor(s) and any applicable insurance policies

ARTICLE IX

Amendments

SECTION 1. Amendment by Directors. Except as provided otherwise by law, these By-laws may be amended or repealed by the Board of Directors.

SECTION 2. Amendment by Stockholders. These By-laws may be amended or repealed by the stockholders at any Annual Meeting, or special meeting of stockholders called for such purpose in accordance with these By-laws, by the affirmative vote of at least seventy-five percent (75%) of the outstanding shares entitled to vote on such amendment or repeal, voting together as a single class; provided, however, that if the Board of Directors recommends that stockholders approve such amendment or repeal at such meeting of stockholders, such amendment or repeal shall only require the affirmative vote of the majority of the outstanding shares entitled to vote on such amendment or repeal, voting together as a single class.

ARTICLE X

Exclusive Jurisdiction of Delaware Courts or the United States Federal District Courts

Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of, or a claim based on, a breach of a fiduciary duty owed by any current or former director, officer or other employee or stockholder of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL or the Certificate or these By-laws (including the interpretation, validity or enforceability thereof) or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (iv) any action asserting a claim governed by the internal affairs doctrine; provided, however, that this sentence will not apply to any causes of action arising under the Securities Act of 1933, as amended, or the Exchange Act, or to any claim for which the federal courts have exclusive jurisdiction. Unless the Corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act of 1933, as amended, the Exchange Act, and the rules and regulations promulgated thereunder. To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring any interest in shares of capital stock of the Corporation shall be deemed to have notice of and consented to the provisions of this Article X.

Certification

I, Jonathan Steinberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of WisdomTree, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers 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 controls 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 officers 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.

By: /s/ Jonathan Steinberg
Jonathan Steinberg
Chief Executive Officer
(Principal Executive Officer)

Date: August 2, 2024

Certification

I, Bryan Edmiston, certify that:

1. I have reviewed this quarterly report on Form 10-Q of WisdomTree, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers 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 controls 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 officers 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.

By: /s/ Bryan Edmiston

Bryan Edmiston

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

Date: August 2, 2024

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of WisdomTree, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2024 as filed with the Securities and Exchange Commission (the "SEC") on the date hereof (the "Report"), we, Jonathan Steinberg, Chief Executive Officer of the Company, and Bryan Edmiston, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to our knowledge, that::

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Exchange Act, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being furnished and not filed, and shall not be incorporated into any documents for any purpose, under the Exchange Act, as amended. A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

By: /s/ Jonathan Steinberg
Jonathan Steinberg
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Bryan Edmiston
Bryan Edmiston
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

August 2, 2024
