



JULY 1, 2013

**KCG HOLDINGS, INC.  
CORPORATE GOVERNANCE GUIDELINES**

**Board Size, Composition and Qualifications**

**1. General**

The directors are elected each year by the stockholders at the annual meeting of stockholders. Stockholders may propose nominees for consideration by the Nominating and Corporate Governance Committee by submitting the names and supporting information to: Secretary, KCG Holdings, Inc., 545 Washington Boulevard, Jersey City, NJ 07310.

**2. Size**

The Company's By-Laws provide for a Board of Directors with up to 25 members. The exact number will be set by a majority of the Board.

**3. Composition**

Independent directors will comprise a majority of the Board. For purposes of these Guidelines, "independent" will be as defined under the listing standards of the New York Stock Exchange.

**4. Specific Qualification Rules for All Board Members**

The following specific rules shall apply to all Board members:

**a. Disqualifying Factors**

Except as provided in the Agreement and Plan of Merger, dated as of December 19, 2012 and amended and restated as of April 15, 2013, by and among the Company, GETCO Holding Company, LLC, Knight Capital Group, Inc. and the other parties thereto, absent a waiver by a majority of the Board, no member of the Board:

- i. shall be an employee or director of a company in significant competition with the Company;
- ii. shall be an employee or director of a major or potentially major customer, supplier, contractor, counselor or consultant of the Company;
- iii. shall have been an employee of the Company within the last three years; or
- iv. shall be an executive officer of a company where a KCG Holdings, Inc. Director serves on the board.

The Nominating and Corporate Governance Committee shall determine annually whether each then current Board member is subject to any of the above disqualifying factors and report to the Board on its determination. If a Board member is subject to one of the above disqualifying factors, absent a waiver by a majority of the Board (excluding the affected member(s)), s/he will immediately offer his/her resignation to the Board and the Board will accept the offer of resignation.

**b. Retirement Age**

Absent a waiver by a majority of the Board (excluding the affected member(s)), each Board member, upon reaching the age of seventy-two (72) years, will resign effective upon the next Board meeting

**c. Term Limit**

Absent a waiver by a majority of the Board (excluding the affected member(s)), no Board member (other than the Chief Executive Officer) may serve for more than 15 full one-year terms.

**d. Job Change**

Absent a waiver by a majority of the Board (excluding the affected member(s)), if a Board member's principal occupation or business association changes substantially (including retirement) following his/her initial election, s/he must immediately resign from the Board.

**e. Conflicts of Interest**

In addition to abiding by the Company's Code of Business Conduct and Ethics, each Board member must recuse himself/herself from any discussion or decision affecting his/her personal, business or professional interests (other than in his/her capacity as a director or stockholder of the Company).

**f. Service on Other Boards**

No Board member shall serve on more than two boards of public companies in addition to the KCG Holdings, Inc. Board, unless an exception is granted by a majority vote of the full Board (excluding the affected member(s)). In addition, absent a waiver by a majority of the Board (excluding the affected member(s)), no Board member may serve as a member of the board of any entity that has one or more executive officers serving as a member of the Company's Board. Service with non-profit institutions shall not be included in determining compliance with this subsection (f).

**5. Qualifications for Non-Employee Board Members**

The Company has established criteria to be considered for nomination to the Board. Such criteria are listed as Annex A to the Company's Nominating and Corporate Governance Committee Charter.

**6. Qualifications for Employee Board Members**

The only officers or employees of the Company who will be considered for service on the Board are the Chief Executive Officer, other members of senior corporate management who have the potential to become Chief Executive Officer of the Company and the Executive Chairman (if any).

**7. Interaction with By-Laws**

Article V of the Company's By-laws establish special rules for the selection and nomination of directors during the 36 month period commencing on July 1, 2013. These Corporate Governance Guidelines (including Annex A) are subject to those By-law provisions.

**8. Director Responsibilities**

**Business Judgment**

The basic responsibility of the directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its stockholders. In discharging that obligation, directors should be entitled to rely on the honesty and integrity of the Company's senior executives and its outside advisors and auditors. The directors shall also be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company's charter, by-laws and any indemnification agreements, and to exculpation as provided by state law and the Company's charter.

### **Attendance to Meetings**

Directors are expected to attend Board meetings and meetings of committees on which they serve, and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Telephone or video conference may be used to facilitate attendance. Information and data that are important to the Board's understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting.

### **Agenda of Board Meetings**

The Chairman will establish the agenda for each Board meeting. At the beginning of the year the Chairman will establish a schedule of agenda subjects to be discussed during the year (to the degree this can be foreseen). Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free to raise at any Board meeting subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.

### **Executive Sessions**

The non-employee directors will meet in executive session at least quarterly. The director who presides at these meetings will be chosen by the non-employee directors, and his name will be disclosed in the annual proxy statement. Non-employee directors who are not independent under NYSE rules may participate in these executive sessions, but independent directors should meet separately in executive session at least once a year.

### **Communications**

The Board believes that the management speaks for the Company. Individual Board members may, from time to time, meet or otherwise communicate with various constituencies that are involved with the Company. But it is expected that Board members would do this with the knowledge of the management and, absent unusual circumstances or as contemplated by the committee charters, only at the request of management.

## **9. Director Access to Officers and Employees**

Directors have full and free access to officers and employees of the Company. Any meetings or contacts that a director wishes to initiate may be arranged through the Chief Executive Officer or the Secretary or directly by the director. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will, to the extent not inappropriate, copy the Chief Executive Officer on any written communications between a director and an officer or employee of the Company.

The Board welcomes regular attendance at each Board meeting of senior officers of the Company. If the Chief Executive Officer wishes to have additional Company personnel attendees on a regular basis, this suggestion should be brought to the Board for approval.

## **10. Director Compensation**

The form and amount of director compensation will be determined or recommended to the Board by the Compensation Committee, in accordance with the policies and principles set forth in its charter and any NYSE or other applicable rules, and the Compensation Committee will conduct an annual review of director compensation. The Compensation Committee will give due consideration to the potential that directors' independence may be jeopardized if director compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

The compensation received by the members of the Finance and Audit Committee from the Company is specifically subject to the limitations imposed by the independence requirements of Rule 10A-3(b) of the Exchange Act.

#### **11. Director Orientation and Continuing Education**

Initial director education will take place prior to year end 2013. Thereafter, all new directors must participate in the Company's orientation program, which should be conducted within six months from the annual meeting at which new directors are elected or within six months from the time the new director otherwise joins the Board. This orientation will include presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and independent auditors. All continuing directors are also invited to attend the orientation program. The Nominating and Corporate Governance Committee will oversee continuing education programs for directors.

#### **12. Evaluation and Succession**

In accordance with the charter of the Compensation Committee, the Compensation Committee shall review and approve corporate goals and objectives relevant to the Chief Executive Officer compensation, including annual performance objectives, and shall evaluate the performance of the Chief Executive Officer in light of these goals and objectives and, based on such evaluation, determine and approve the annual compensation of the Chief Executive Officer. The Board will review the Compensation Committee's report in order to ensure that the Chief Executive Officer is providing effective leadership for the Company in the long- and short-term and shall review and recommend to management continuing education for the Company's employees, with a particular emphasis on the education of managers.

The Nominating and Corporate Governance Committee should provide an annual report to the Board on succession planning which should include, without limitation, policies and principles for Chief Executive Officer selection and performance review as well as policies regarding succession in the event of an emergency or the retirement of the Chief Executive Officer. The Chief Executive Officer should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

#### **13. Annual Performance**

The Board will conduct an annual self-evaluation to determine whether it and its committees are functioning effectively. The Nominating and Corporate Governance Committee will establish a process for the evaluation of the performance of the Board and each of its committees, which should include a solicitation of comments from all directors and a report annually to the Board on the results of this evaluation. This will be discussed with the full Board following the end of each fiscal year.

#### **14. Administration**

These guidelines shall be reviewed annually by the Nominating and Corporate Governance Committee, with a report to the full Board of the Nominating and Corporate Governance Committee's findings and recommendations. If necessary, these guidelines will be revised and updated by the Board, based upon the recommendations of the Nominating and Corporate Governance Committee.

## **Annex A – Criteria For Nomination To The Board**

1. Directors should be of the highest ethical character and share the values of KCG Holdings, Inc.
2. In selecting Directors, the Board should generally seek individuals who have experience at a strategy/policy setting level or who have high-level managerial experience in a relatively complex organization, including business, government, education and technology sectors, or who are accustomed to dealing with complex problems.
3. At the same time, in recognition of the fact that the foundation of the Company is in financial services and technology, the Board should also seek some Directors who are widely recognized as leaders in the fields of financial services or technology, including those who have received the most prestigious awards and honors in their field.
4. Each Director should have relevant expertise and experience, and be able to offer advice and guidance to the Chief Executive Officer based on that expertise and experience.
5. The majority of Directors on the Board should satisfy the definition of "independent" under the listing standards of the New York Stock Exchange.
6. Each Director should have the ability to exercise sound business judgment.
7. Each Director should have an ability to work effectively with others.
8. Each Director should have sufficient time to devote to the affairs of the Company.
9. Directors should be selected so that the Board of Directors is a diverse body, with diversity reflecting gender, age, ethnic background, country of citizenship and professional experience.