



ARCHIPELAGO HOLDINGS, INC.

CORPORATE GOVERNANCE AND NOMINATING COMMITTEE CHARTER

Committee Membership

Composition of Committee: The Corporate Governance and Nominating Committee (the “Committee”) of the Board of Directors (the “Board”) of Archipelago Holdings, Inc. (the “Company”) is a standing committee of the Board and shall consist of three or more members of the Board. The total number of members of the Committee shall be determined by the Board in its discretion.

Appointment of Members: The members of the Committee initially shall be appointed by the Board, and thereafter shall be elected annually by resolution of the Board at its first meeting following the annual meeting of the Company’s stockholders, or as soon as practicable thereafter as determined by the Board in its discretion. Each member of the Committee shall serve at the pleasure of the Board and for such term or terms as the Board may determine. The members of the Committee may be removed or replaced by the Board in its discretion at any time.

Committee members may resign from the Committee by giving written notice to the Board. A Committee member may resign Committee membership without resigning from the Board, but a member shall automatically cease to be a member of the Committee upon either ceasing to be a member of the Board or ceasing to be “independent” as defined under the applicable rules and regulations of the Governing Standards (as defined below). The Board shall designate one member of the Committee as its chairperson (“Chair”).

Member Qualifications: Each member of the Committee shall meet the requirements for corporate governance and nominating committee members of the Pacific Exchange (“PCX”) and all other applicable laws, rules and regulations (“Governing Standards”) governing corporate governance and nominating committee members and each member of the Committee shall be “independent,” as defined by the rules of PCX. In addition, each member shall have experience in governance issues, or substantial leadership experience in the corporate field, government or academia.

Required Board Determinations: The Board must make a determination that each member of the Committee meets the applicable “independence” requirements of each Governing Standard as interpreted by the Board in its business judgment.

Committee Meetings, Structure and Operations

The Committee shall meet at least twice a year (or more frequently if deemed necessary or desirable by the Chair or the Board). Any background materials, together with an agenda, should be distributed to the Committee members in advance of each Committee meeting. All meetings of the Committee shall be held pursuant to the By-laws of the Company with regard to notice and waiver thereof, and written minutes of each meeting, in the form approved at a subsequent meeting, shall be filed in the Company records. The Committee shall report regularly to the Board. Members of the Committee may participate in a meeting by means of conference call or similar communications equipment where all persons participating in the meeting can hear each other. The Committee may invite the CEO and members of management to its meetings, as the Committee deems appropriate. In the event of a tie vote on any issue, the Chair's vote shall decide the issue.

Purpose

The primary purposes of the Committee are to: (i) identify individuals qualified to become members of the Board; (ii) select, or recommend that the Board select, the director nominees for the next annual meeting of stockholders; and (iii) develop and recommend to the Board a set of corporate governance principals and guidelines applicable to the Company, review the Company's governance on an ongoing basis and recommend changes to each where necessary.

Duties and Responsibilities

The following are the duties and responsibilities of the Committee:

1. Identify and recommend to the Board individuals believed to be qualified to become Board members, consistent with the Company's corporate governance principals and guidelines and policies.
2. Select, or recommend to the Board the nominees to stand for election as directors at any meeting of stockholders where directors are elected.
3. Recommend to the Board an individual to fill any vacancy on the Board (including a vacancy created by an increase in the size of the Board) to be replaced either through appointment by the Board or through election by stockholders, taking into consideration the Company's corporate governance principals and guidelines and policies, and such other factors as it deems appropriate.
4. Identify Board members qualified to fill vacancies on any committee of the Board and to recommend that the Board appoint the identified member or members to the respective committee, taking into consideration the Company's corporate governance principals and guidelines and policies, and the factors set forth in the charter of that committee, if any, as well as any other factors it deems appropriate.

5. Establish procedures for the Committee to exercise oversight of the evaluation of the: (i) Board, (ii) Board committees, (iii) Company's CEO and (iv) senior management; and to examine Board meeting policies and procedures.
6. Develop and recommend to the Board a set of corporate governance principals and rules applicable to the Company, and to review those principals and rules, as well as the Company's Code of Ethics, at least once a year.
7. Assist management in the preparation of the disclosure in the Company's annual proxy statement regarding the operations of the Committee.
8. Make recommendations to the full Board regarding the level of compensation for the Company's directors, taking into account the compensation paid to directors of other companies in its peer group and other U.S. companies of similar size; as well as conduct individual director assessments on an annual basis, and encourage or provide for director education programs or activities where necessary.
9. Review the Company's director policies, such as compensation, retirement, indemnification and insurance.
10. Through its review and oversight of the Company's corporate governance principals and guidelines, establish standards, criteria and processes for the selection of Board candidates, and to review annually with the Board the composition of the Board as a whole, seeking an appropriate balance of independence, sound judgment, business expertise, technical skills, diversity and other desirable attributes.
11. Recommend to the Board, modifications to or additional responsibilities of the full Board and its various committees as well as overseeing all proposed amendments to Company's certificate of incorporation, by-laws and Board committee charters.
12. Perform any other duties or responsibilities expressly delegated to the Committee by the Board from time to time relating to corporate governance or to the nomination of Board and committee members.

With respect to the foregoing list of duties and responsibilities, if the Company is required by contract or otherwise to provide third parties with the ability to nominate directors (for example, preferred stock rights to elect directors upon a dividend default, shareholder agreements, and management agreements), the selection and nomination of such directors need not be subject to the Committee process.

With respect to items 1 through 3 above, the Committee shall consider all candidates recommended by the Company's stockholders in accordance with the procedures set forth in the Company's organizational documents and annual proxy statement. The Committee also may consider candidates proposed by senior management, but is not required to do so.

The foregoing list of duties and responsibilities is not exhaustive, and the Committee may, in addition, perform such other functions as it may deem necessary or appropriate for the performance of its duties, *provided* that such actions are consistent with this charter and any delegation to the Committee by the Board.

Delegation to Subcommittee

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee consisting of one or more members of the Committee.

Performance Evaluation

The Committee shall prepare and review with the Board an annual performance evaluation of the Committee which compares the performance of the Committee with the requirements of this charter. The performance evaluation shall also recommend to the Board any improvements to the Committee's charter deemed necessary or desirable by the Committee. The report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make this report.

Resources and Authority of the Committee

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities, including the authority to select, retain, terminate, and approve the fees and other retention terms of special counsel or other experts or consultants, as it deems appropriate, without seeking approval of the Board or management. With respect to consultants or search firms used to identify director candidates, this authority shall be vested solely in the Committee. Each member of the Committee shall be entitled to rely, to the fullest extent permitted by law, on the integrity of those persons and organizations within and outside the Company from whom he or she receives information, and the accuracy of the information provided to the Committee by such persons or organizations.