



2013

Code of Business Conduct and Ethics

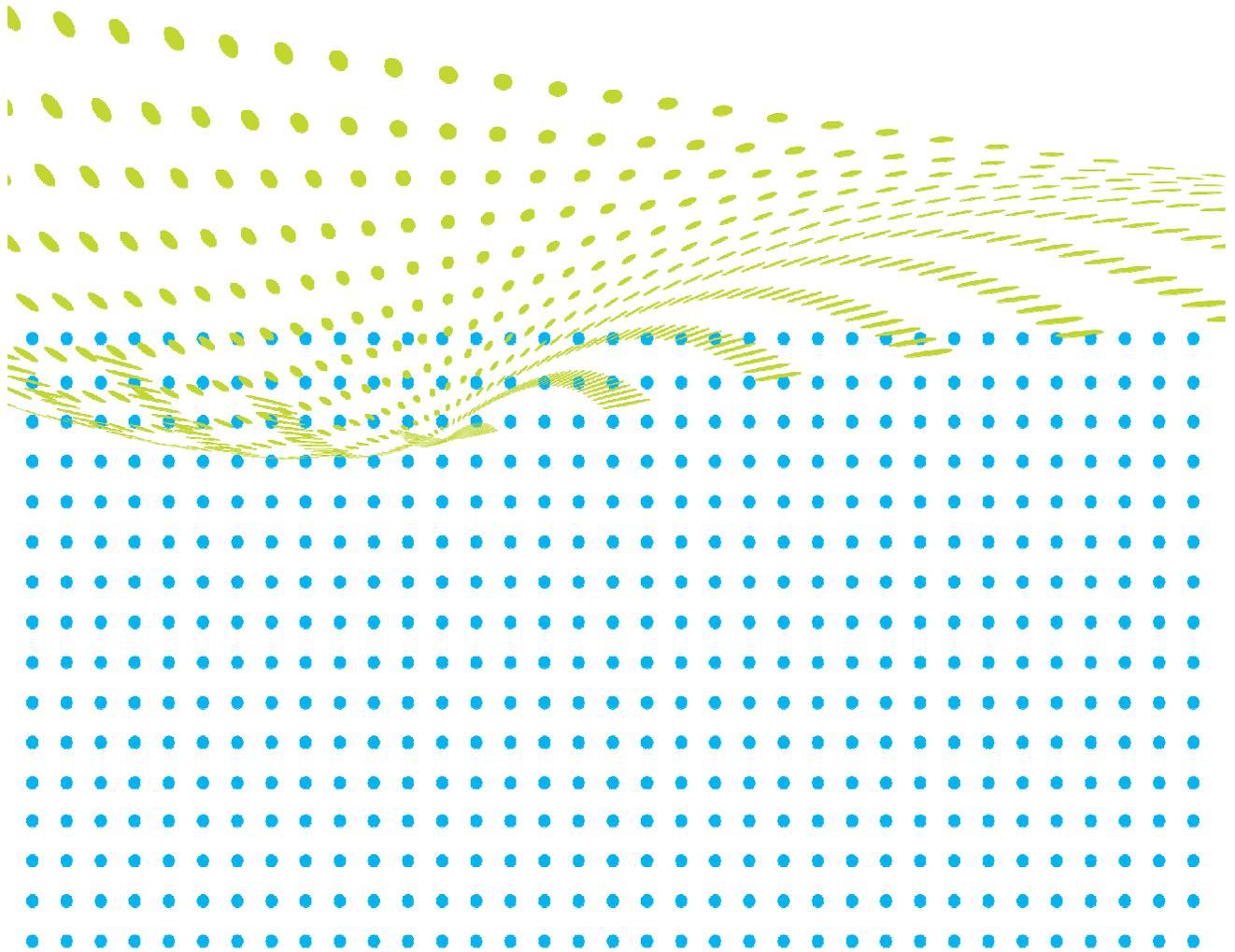


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About the KCG Code of Business Conduct and Ethics



KCG Holdings, Inc. ("KCG" or the "Company") is committed to promoting integrity and maintaining the highest standard of business conduct in all of its activities. Our business success is dependent on trusting relationships, which are built on this foundation of integrity. This Code of Business Conduct and Ethics (the "Code") covers a wide range of business practices and procedures. It does not cover every issue that may arise, but it sets out basic principles to guide all employees, officers and directors of the Company. Read the Code carefully and make sure that you understand it, the consequences of non-compliance, and the Code's importance to the success of KCG. The Code should also be provided to and followed by the Company's agents and representatives, including consultants.

Subject to applicable law, those who violate the standards in this Code will be subject to disciplinary action up to and including termination of employment. *If you are in a situation that you believe may violate or lead to a violation of this Code, or if you are in doubt about the best course of action in a particular situation, follow the guidelines described in the [Compliance Procedures](#) of this Code.*

Each of us is responsible for knowing and understanding the policies and guidelines contained in the following pages. If you have questions, ask them; if you have ethical concerns, raise them. Our conduct should reflect KCG's values, demonstrate ethical leadership, and promote a work environment that upholds KCG's reputation for integrity, ethical conduct, and trust.

Sincerely,

Daniel Coleman
Chief Executive Officer

Compliance with Laws, Rules, and Regulations

KCG Holdings, Inc. is subject to laws and regulations both in the U.S. and abroad. Violation of governing laws and regulations is unethical and subjects both the individual involved and the Company to significant risk of fines, penalties and damaged reputation. Obeying the law, both in letter and in spirit, is the foundation on which KCG's ethical standards are built. All employees must respect and obey the laws of the cities, states and countries in which we operate. Although not all employees are expected to know every law that is applicable to the Company, it is important to be familiar with those laws that apply to your areas of responsibility and to know enough to determine when to seek advice from supervisors, managers or other appropriate personnel.

KCG holds information and training sessions to promote compliance with laws, rules, and regulations, including insider-trading laws.

Conflicts of Interest

Employees, officers and directors are expected to make or participate in business decisions and actions on behalf of the Company based on the best interests of KCG, and not based on personal relationships or benefits. Conflicts of interest can compromise our business ethics. Employees are expected to apply sound judgment and to ethically handle conflicts of interest with the Company. A "conflict of interest" exists when a person's private interest interferes in any way with the interests of KCG. A conflict situation can arise when an employee, officer or director takes actions or has interests that may make it difficult to perform his or her Company work objectively and effectively. Conflicts of interest may also arise when an employee, officer or director, or members of his or her family, exploit the relationship with the Company for personal gain.

Employees and officers should not be employed by, nor serve in any capacity with, any company that competes with KCG. Without prior written approval from the Legal and Compliance Team and Human Resources, you may not do business with, or be employed by, serve as a director of, or represent a Company or anyone else who does business with KCG, including KCG's suppliers. If you are an officer or employee of KCG, you may not accept a directorship of another corporation (other than a subsidiary corporation or affiliated entity) unless approval has been obtained from the Legal and Compliance Department.

Employees and officers may not own an interest in a Company that competes or does business with KCG without the prior written approval of the Legal and Compliance Team and Human Resources. However, it is not considered a conflict of interest (and therefore prior written approval is not required) to make investments in competitors, clients or suppliers that are listed on a national or international securities exchange so long as the total value of the investment is less than 2% of the outstanding stock of the corporation and the amount is not so significant that it would affect your business judgment on behalf of KCG.

Employees are expected to disclose to KCG any situations that may involve conflicts of interest affecting them personally or affecting other employees or those with whom we do business. After full disclosure, approval of conduct or transactions that create, or appear to create, a conflict of interest may be made with prior written permission from the Legal and Compliance Team and your manager, which may be rescinded at any time.

Members of the Board of Directors have a special responsibility because our directors are prominent individuals with substantial other responsibilities. To avoid conflicts of interest, directors are expected to disclose to their fellow directors any personal interest they may have in a transaction in which the Board is involved and to recuse themselves from participation in any decision in which there is a conflict between their personal interests and the interests of the Company. This paragraph shall also apply to our executive officers.

Conflicts of interest may not always be clear-cut, so if you have a question, you should consult with higher levels of management or KCG's Legal and Compliance Team. Any employee, officer or director who becomes aware of a conflict or potential conflict should bring it to the attention of a supervisor, manager or other appropriate personnel or consult the procedures described in the [Compliance Procedures](#) of this Code.

Insider Trading

Employees are prohibited from buying and selling the Company's securities, including common stock, warrants or options for common stock and any other securities the Company may issue from time to time, such as preferred stock and convertible debentures, as well as to derivative securities relating to the Company's common stock, whether or not issued by the Company, such as exchange-traded options (collectively, "securities"), without prior written approval by their immediate supervisor and the Legal and Compliance Team of the subsidiary at which they work. Directors must receive written pre-clearance from KCG's General Counsel before they enter into any transaction in the Company's securities. This prohibition applies to trading in all employee or director related accounts, which includes accounts of employees' or directors' children, spouses and relatives living with an employee or director. In addition, all transactions in KCG's securities must be made during a time when the Company's trading window is open.

Federal law and Company policy prohibit employees and directors, directly or indirectly through their families or others, from purchasing or selling KCG's securities while in the possession of material, non-public information concerning the Company. This same prohibition applies to trading in the stock of other publicly held companies on the basis of material, non-public information. Violations of insider trading laws may be punishable by fines and/or imprisonment under applicable laws.

Material, information is any information which could reasonably be expected to affect the price of a stock. If you are considering buying or selling a stock because of inside information that you possess, you should assume that the information is material. It is also important to keep in mind that if any trade you make becomes the subject of an investigation by the government, the trade will be viewed after-the-fact with the benefit of hindsight. Consequently, you should always carefully consider how your trades would look from this perspective.

Information is considered to be non-public unless it has been adequately disclosed to the public, which means that the information must be publicly disclosed, and adequate time must have passed for the securities markets to digest the information. Examples of adequate disclosure include public filings with securities regulatory authorities and the issuance of press releases, and may also include meetings with members of the press and the public. A delay of one business day is generally considered a sufficient period for routine information to be absorbed by the market, although a longer period of delay might be considered appropriate in more complex decisions.

If an employee's or director's family or friends ask for advice about buying or selling Company securities, the employee or director should not provide it. Federal law and Company policy also prohibit the employee or director from "tipping" family or friends regarding material, non-public information that the employee or director learns about KCG or any other publicly traded company in the course of employment. The same penalties apply, regardless of whether the employee or director derives any benefit from the trade. Employees and directors should be careful to avoid discussing sensitive Company information in any place where others may hear such information.

Corporate Opportunities

Employees, officers and directors owe a duty to KCG to advance its legitimate interests when the opportunity to do so arises. If you learn of a business or investment opportunity through the use of corporate property or information, or your position at KCG, such as from a competitor, customer, supplier or business associate of the Company, you may not participate in the opportunity or make the investment without the prior written approval and the Legal and Compliance Team. Such an opportunity should be considered an investment opportunity for KCG in the first instance. Directors' duties to present corporate opportunities or related-party transactions to KCG are more extensive and include a requirement that they obtain the prior written approval of the disinterested and independent members of the Board or the Finance and Audit Committee of the Board.

Competition and Fair Dealing

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, not through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. Each employee should endeavor to respect the rights of, and deal fairly with, KCG's customers, suppliers, competitors and employees. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other intentional unfair-dealing practice.

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with customers. No business-related gift or entertainment should ever be offered, given, provided or accepted by any Company employee, officer or director, or members of their family from a customer or supplier unless it: (1) is not a cash gift, (2) is consistent with customary business practices, (3) is not excessive in value, (4) cannot be construed as a bribe or payoff and (5) does not violate any laws or regulations. Please discuss with your supervisor any gifts or proposed gifts which you have any concerns over or which you question its purpose.

Discrimination and Harassment

It is KCG's policy to ensure equal treatment for all employees and applicants, regardless of race, religion, color, gender, age, marital status, national origin, sexual orientation, citizenship, Vietnam-era or disabled veteran status, or disability (where the applicant or employee is qualified to perform the essential functions of the job with or without reasonable accommodation), or any other basis prohibited by law in recruiting, hiring, placement, promotion or any other condition of employment. All Company activities, including, but not limited to, recruiting, hiring, training, transfers, promotions and benefits are based solely on individual merit.

It is KCG policy to provide a workplace free from tensions involving matters that do not relate to KCG's business. In particular, an atmosphere of tension created by ethnic, racial, sexual or religious remarks, unwelcome sexual advances, or requests for sexual favors, will not be tolerated.

Harassment of employees, applicants, customers, contractors or suppliers by other employees is a violation of Company policy. Harassment includes, without limitation, verbal harassment (epithets, derogatory statements, slurs, etc.), physical harassment (hitting, pushing or other aggressive physical contact) and visual harassment (posters, cartoons, drawings, etc.).



Harassment may be unlawful and is prohibited whether it occurs in the workplace, at customer or vendor sites, or at other employment-related events or activities. However, the objectionable conduct need not be unlawful to violate Company policy. Company policy prohibits all inappropriate harassing conduct, whether or not the conduct is so severe as to be considered a violation of law.

Unlawful sexual harassment is defined as unwelcome sexual advances, requests for sexual favors, and verbal or physical conduct of a sexual nature, (1) when submission to or rejection of such conduct is made either explicitly or implicitly a term or condition of employment or is used as a basis for employment decisions; or (2) when such conduct has the purpose or effect of unreasonably interfering with an individual's work performance by creating an intimidating, hostile, humiliating or sexually offensive work environment.

Employees who observe, learn of, or are subjected to harassment, are responsible immediately to report the conduct to their supervisor, manager, Human Resources Generalist or any other manager with whom they feel comfortable for prompt investigation. Investigations will be conducted in as discrete and as confidential a manner as is practicable.

Retaliation against individuals who report such violations of policy, or against those who provide information in an investigation of such violations, is also a violation of policy.

KCG will act promptly and vigorously to take corrective action and appropriate discipline with respect to any harassment or retaliation.

Health and Safety

KCG strives to provide each employee with a safe and healthy work environment. Each employee has responsibility for maintaining a safe and healthy workplace for all employees by following safety and health rules and practices and reporting accidents, injuries and unsafe equipment, practices or conditions.

Violence and threatening behavior are not permitted. Employees should report to work in condition to perform their duties, free from the influence of illegal drugs or alcohol. The use of illegal drugs in the workplace will not be tolerated.

Record-Keeping

KCG requires honest and accurate recording and reporting of information in order to make responsible business decisions.

Many employees regularly use business expense accounts, which must be documented and recorded accurately. If you are not sure whether a certain expense is legitimate, ask your supervisor or your controller. Rules and guidelines are available from the Finance Team.

All of KCG's books, records, accounts and financial statements must be maintained in reasonable detail, must appropriately reflect KCG's transactions and must conform both to applicable legal requirements and to KCG's accounting policies and related system of internal controls.

Business records and communications often become public, and we should avoid exaggeration, derogatory remarks, guesswork, or inappropriate characterizations of people and companies that can be misunderstood. Because e-mail provides immediacy and wide distribution, employees should thoughtfully review their messages prior to sending. Be

especially careful with messages composed in an emotional state or that attempt to convey humor. This applies equally to internal memos, and formal reports. Records should always be retained or destroyed according to KCG's record retention policies. In accordance with those policies, if you learn of a subpoena or a pending, imminent or contemplated litigation or government investigation, you should immediately contact the Legal and Compliance Team. You must retain and preserve all records that may be responsive to the subpoena or relevant to the litigation, or that may pertain to the investigation until you are advised by the Legal and Compliance Team how to proceed.

Confidentiality

Employees must maintain the confidentiality of confidential information entrusted to them by KCG or its customers, except when disclosure is authorized by the Legal and Compliance Team or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors, or harmful to KCG or its customers, if disclosed. It also includes information that suppliers and customers have entrusted to us. The obligation to preserve confidential information continues even after employment ends.

Protection and Proper Use of Company Assets

All employees should endeavor to protect KCG's assets and ensure their efficient use. Except as specifically authorized by KCG, KCG's assets are to be used only for the legitimate business purposes of KCG and its subsidiaries and only by authorized employees or their designees. Theft, carelessness, and waste have a direct impact on KCG's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. Company equipment should not be used for non-Company business, though incidental personal use may be permitted.

The obligation of employees to protect KCG's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy. It could also be illegal and result in civil or criminal penalties.

Payments to Governmental Personnel

The U.S. Foreign Corrupt Practices Act and the laws of many other countries prohibit giving anything of value, directly or indirectly, to officials of foreign governments, foreign political candidates or foreign political parties in order to obtain or retain business or secure an improper advantage. It is strictly prohibited to make illegal payments to government officials of any country.

In addition, the U.S. government has a number of laws and regulations regarding business gratuities which may be accepted by U.S. government personnel. The promise, offer or delivery to an official or employee of the U.S. government of a gift, favor or other gratuity in violation of these rules would not only violate Company policy but could also be a criminal offense. State and local governments, self-regulatory organizations, and foreign governments may have similar rules. KCG's Legal and Compliance Team can provide guidance to you in this area.

Ban on Loans

It is against Company policy for KCG to make a personal loan, directly or indirectly, including through any subsidiary, to any director or executive officer of KCG. Loans, or advances of payroll, will not be made to any non-management employee of KCG, without the prior approval of his/her supervisor and Human Resources.

Special Ethics Obligations for Employees with Financial Reporting Responsibilities

It is Company policy to make full, fair, accurate, timely and understandable disclosure in compliance with all applicable laws and regulations in all reports and documents that KCG files with, or submits to, the Securities and Exchange Commission and in all other public communications made by KCG. Depending on their position with KCG, employees may be called upon to provide information to assure that KCG's public reports are complete, fair and understandable. KCG expects all of its personnel to take this responsibility very seriously and to provide prompt and accurate answers to inquiries related to KCG's public disclosure requirements.

The Finance Team (this includes all individuals within KCG and its subsidiaries who work on financial matters) bears a special responsibility for promoting the integrity of KCG's financial statements. The Chief Executive Officer, Chief Financial Officer and Finance Team personnel have a special role both to adhere to these principles themselves and also to promote a culture throughout KCG of the importance of full, fair, accurate, timely and understandable reporting of KCG's financial results and conditions.

Because of this special role, the Chief Executive Officer, the Chief Financial Officer and all members of the Finance Team are bound by the following financial officer code of ethics (the "Financial Officer Code of Ethics"), and by accepting the Code, each agrees that he or she will:

- Act with honesty and integrity, and ethically handle actual or apparent conflicts of interest in personal and professional relationships.
- Comply with and promote those Company standards, policies and procedures designed to generate full, fair, accurate, timely and understandable public disclosures in compliance with applicable laws and regulations.
- Comply with applicable laws, rules and regulations of federal, state, provincial and local governments, and other applicable rules and regulations of appropriate private and public regulatory agencies.
- Act in good faith, responsibly with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated.
- Respect the confidentiality of information acquired in the course of one's work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of one's work shall not be used for personal advantage.
- Share knowledge and maintain skills important and relevant to stakeholder's needs.
- Proactively promote and be an example of ethical behavior as a responsible partner among peers in the work environment and the community.
- Responsibly use and control all assets and resources entrusted to you.

- Promptly report to KCG's Ethics Committee any conduct, without regard to materiality, which the individual believes to be a violation of law or business ethics or any provision of the Code, including any transaction or relationship that reasonably could be expected to give rise to such a conflict.

Subject to applicable law, violations of this Financial Officer Code of Ethics, including failures to report violations by others, will be viewed as a severe disciplinary matter that may result in personnel action, including termination of employment. If you suspect that a violation of the Financial Officer Code of Ethics has occurred, without regard to materiality, you must report the suspected violation in accordance with those procedures set forth in the [Compliance Procedures](#) of this Code.

Waivers of the Code of Business Conduct and Ethics

Any waiver of this Code for executive officers or directors may be made only by the Board and will be promptly disclosed as required by law or regulation.

Reporting Any Illegal or Unethical Behavior

If you know of, or suspect, a violation of applicable laws or regulations, the Code, or KCG's related policies, you must immediately report that information to your supervisor, any other manager or as set forth in the [Compliance Procedures](#) of this Code. No one will be subject to retaliation because of a good faith report of suspected misconduct. Employees are expected to cooperate fully in internal investigations of misconduct. All reported violations will be promptly investigated and treated confidentially to the extent possible, given the need to conduct an investigation. It is imperative that reporting persons not conduct their own preliminary investigations. Investigations of alleged violations may involve complex legal issues, and acting on your own may compromise the integrity of an investigation and adversely affect both you and KCG.

Compliance Procedures

We must all work to ensure prompt and consistent action against violations of this Code. However, in some situations it is difficult to know right from wrong. Since we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps to keep in mind:

Make sure you have all the facts. In order to reach the right solutions, we must be as fully informed as possible.

Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper?

This will enable you to focus on the specific question you are faced with, and the alternatives you have. Use your judgment and common sense; if something seems unethical or improper, it probably is.

Clarify your responsibility and role. In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.

Discuss the problem with your supervisor. This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the question, and will appreciate being brought into the decision-making process. Remember that it is your supervisor's responsibility to help solve problems.

Seek help from Company resources. In the rare case where it may not be appropriate to discuss an issue with your supervisor or where you do not feel comfortable approaching your supervisor with your question, discuss it locally with your office manager or your Human Resources manager. You should talk to supervisors, managers or other appropriate personnel when in doubt about the best course of action in a particular situation.

Report suspected violations of law and Company policies. You must report any suspected violations of law, this Code or other Company policies to your supervisor or any other manager. If you are not comfortable reporting to your supervisor or feel that it would be inappropriate to do so, you may also report suspected violations in one of the following ways:

1. You may call KCG's Ethics Committee at 1-800-914-5214. You may report concerns or complaints to this line anonymously.
2. You may send written correspondence to the KCG Ethics Committee, 545 Washington Boulevard, 3rd Floor, Jersey City, NJ 07310. You may submit written correspondence anonymously.
3. You may e-mail the KCG Ethics Committee at ethicscommittee@kcg.com. This may be done either through accessing the Ethics Committee Reporting Form on our internal KCG | Connect web site (under the Legal, Compliance & Internal Audit heading in the Employee Resources - Forms section) or by sending an e-mail from our internal e-mail system or a third party e-mail provider. Please note that we will be able to ensure anonymity for complaints sent through our KCG | Connect web site; however, we cannot ensure anonymity for e-mails sent to this address from our internal e-mail system or through third party e-mail providers.

You may report suspected violations of law and Company policies in confidence and without fear of retaliation. If you request that your identity be kept secret, your anonymity will be protected to the maximum extent possible. KCG does not permit retaliation of any kind against employees for good faith reports of suspected violations.

Report complaints and concerns regarding accounting, internal accounting controls and auditing matters. It is the responsibility of each employee, officer and director to promptly report complaints or concerns regarding accounting, internal accounting controls and auditing matters ("Accounting Issues"), without regard to materiality. Reports may be made to the phone number, address and e-mail address set forth. This information is also published on our web site. Reports may be made anonymously (except if done through our internal e-mail or a third party e-mail provider) and will be treated confidentially to the extent possible. No one will be subject to retaliation because of a good faith report of a complaint or concern regarding Accounting Issues.

Treatment of complaints and retention of records regarding Accounting Issues. For complaints received pursuant to the section entitled [Special Ethics Obligations for Employees with Financial Reporting Responsibilities](#) herein, the Ethics Committee will forward copies of all complaints and concerns regarding Accounting Issues to the Finance and Audit Committee of the Board of Directors, without regard to materiality, in a timely manner. All complaints or concerns regarding Accounting Issues will be appropriately investigated. The Ethics Committee will retain copies of all reports, investigative reports, summaries of reports and other documents relating to complaints and concerns regarding Accounting Issues in accordance with KCG's record retention policy.

Always ask first, act later: If you are unsure of what to do in any situation, seek guidance before you act.

No Rights Created

This Code is a statement of the fundamental principles and key policies and procedures that govern the conduct of KCG's business. It is not intended to and does not, in any way, constitute an employment contract or an assurance of continued employment or create any rights in any employee, director, client, supplier, competitor, stockholder or any other person or entity.

Employee Acknowledgement

To reaffirm your commitment to the principles in the KCG Holdings, Inc. Code of Business Conduct and Ethics, the Company requires you to complete the following acknowledgement.

I acknowledge that I have read the Code of Business Conduct and Ethics and understand and agree to abide by its requirements. If I have a concern about possible misconduct, I will raise the concern with the appropriate persons. I understand that the Code of Business Conduct and Ethics is not a contract guaranteeing employment or granting any special privileges.

Name: _____

(Please Print)

Signature: _____

Date: _____