

KCG HOLDINGS, INC.

COMPENSATION COMMITTEE CHARTER

Purpose

The Compensation Committee (the "Committee") is appointed by the Board of Directors (the "Board") of KCG Holdings, Inc. (the "Company") to discharge the Board's responsibilities relating to compensation of the Company's directors and officers. The Committee has overall responsibility for approving and evaluating director and officer compensation, incentive compensation and equity-based plans, policies and programs of the Company and its subsidiaries.

The Compensation Committee is also responsible for producing an annual report on executive compensation for inclusion in the Company's proxy statement filed with the Securities and Exchange Commission (the "SEC").

Committee Membership

The Committee shall consist of no fewer than three members. The members of the Committee and any subcommittees, taken together, shall meet the independence requirements of the New York Stock Exchange (the "NYSE"), any additional requirements that the Board deems appropriate and, to the extent applicable, shall satisfy any other standards of independence required under the federal securities and tax laws. The members of the Committee shall be appointed on the recommendation of the Nominating and Corporate Governance Committee and replaced by the Board. The Board shall also appoint one member of the Committee to act as Chair of the Committee provided, that if the Board does not so appoint a Chair of the Committee, the members of the Committee, by a majority vote, may designate a chairman. The Chair and each other member of the Committee shall serve until the earlier of (i) the date on which he or she is no longer a member of the Board or (ii) his or her resignation or removal by the Board. The Board may appoint additional or replacement members of the Committee from time to time.

Meetings and Procedures of the Committee

The Committee shall meet as often as it determines necessary to carry out its duties and responsibilities, but no less frequently than three times annually. The Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary.

The Committee may form subcommittees for any purpose that the Committee deems appropriate and may delegate to such subcommittees, composed of two or more of its members, such power and authority as the Committee deems appropriate; provided however, that the Committee shall

not delegate to a subcommittee any power or authority required by any law, regulation or listing standard to be exercised by the Committee as a whole.

A majority of the members of the Committee present in person or by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other shall constitute a quorum.

The Committee shall maintain minutes of its meetings and records relating to those meetings and shall make regular reports (at least annually) to the Board regarding its findings with respect to all compensation matters. The Committee shall have the sole authority to retain and terminate any compensation consultant to be used to assist in carrying out its responsibilities and shall have sole authority to approve the consultant's fees (such fees to be borne by the Company) and other retention terms. The Committee may conduct or authorize investigations into or studies of matters within the Committee's scope of responsibilities, and shall also have authority to obtain, at the Company's expense, advice and assistance from internal or external legal, accounting or other advisors.

Committee Authority and Responsibilities

A. Executive Compensation

1. The Committee shall review at least annually the Company's executive compensation plans in light of the Company's goals and objectives with respect to such plans, and, if the Committee deems it appropriate, adopt new, or amend or terminate existing, executive compensation plans, except to the extent such adoption, amendment or termination is required to be approved by the Company's shareholders. In the event shareholder approval is required, the Committee shall review and recommend to the Board, for its review and recommendation to the Company's shareholders, the adoption of new, or amendment or termination of existing, executive compensation plans.
2. The Committee shall annually review and approve corporate goals and objectives relevant to compensation of the Chief Executive Officer and evaluate the Chief Executive Officer's performance in light of those goals and objectives. In determining the long-term incentive component of the Chief Executive Officer compensation, the Committee shall consider all relevant factors, including the Company's performance and relative shareholder return, the value of similar incentive awards to chief executive officers of comparable companies, and the awards given to the Chief Executive Officer in past years.
3. The Committee shall annually review the performance and compensation of all directors and executive officers as the Committee deems appropriate, including incentive-compensation plans and equity-based plans, in light of the goals and objectives of the Company's executive compensation plans. To the extent that long-term incentive compensation is a component of such directors' and executive officers' compensation, the Committee shall consider all relevant factors in determining the appropriate level of such compensation, including the factors applicable with respect to the Chief Executive Officer.

4. The Committee shall annually review and approve, for the Chief Executive Officer and such other executive officers of the Company as the Committee deems appropriate, (a) the annual base salary level, (b) the annual incentive opportunity level, (c) the long-term incentive opportunity level, (d) employment agreements, severance or termination arrangements, and change in control agreements/provisions, in each case as, when and if appropriate, and (e) any special or supplemental benefits. The Committee may discuss the Chief Executive Officer's and such other executive officers' compensation with the Board if it chooses to do so.
5. The Committee shall evaluate annually the appropriate level of compensation for Board and Committee service by non-employee members of the Board.
6. The Committee shall review perquisites or other personal benefits to the Company's executive officers and recommend any changes to the Board.
7. The Committee shall review and discuss with management the Compensation Discussion and Analysis (the "CD&A") required to be included in the Company's proxy statement and annual report on Form 10-K by the SEC rules and regulations, and, based on such review and discussion, determine whether or not to recommend to the Board that the CD&A be so included.
8. The Committee shall produce an annual report to the Company's stockholders on executive compensation for inclusion in the Company's proxy statement or annual report on Form 10-K filed with the SEC.
9. The Committee shall, in connection with the Company's annual meeting of stockholders:
 - a. Review and recommend for approval by the Board, or approve, the frequency that should be recommended to the Company's stockholders in regards to any stockholder advisory vote on the frequency with which the Company shall hold a stockholder advisory vote on the compensation of the Company's named executive officers;
 - b. Review and recommend for approval by the Board, or approve, the frequency with which the Company should submit to the Company's stockholders an advisory vote on the compensation of the Company's named executive officers, taking into account any prior stockholder advisory vote on the frequency with which the Company shall hold a stockholder advisory vote on the compensation of the Company's named executive officers; and
 - c. Review the results of any stockholder advisory votes on the compensation of the Company's named executive officers and consider whether to make any adjustments to the Company's executive compensation policies and practices.
10. The Committee shall also provide oversight of management's decisions concerning the performance and compensation of other Company officers and employees.

11. The Committee shall oversee the Company's compliance with the requirement under NYSE rules that, with limited exceptions, stockholders approve equity compensation plans.

B. General Compensation and Employee Benefit Plans

1. The Committee shall review at least annually the Company's general compensation and employee benefit plans, including incentive compensation and other equity-based plans, in light of the Company's goals and objectives with respect to such plans, and, if the Committee deems appropriate, adopt new, or amend or terminate existing, general compensation and employee benefit plans, except to the extent such adoption, amendment or termination is required to be approved by the Company's shareholders. In the event shareholder approval is required, the Committee shall review and recommend to the Board, for its review and recommendation to the Company's shareholders, the adoption of new, or amendment or termination of existing, general compensation and employee benefit plans. The Committee shall have and shall exercise all the authority of the Board with respect to the administration of such plans.
2. The Committee shall review, and approve in the aggregate, awards, grants, and incentive payments recommended by the Chief Executive Officer for all employees under any of the Company's incentive compensation and other equity-based plans. The Committee may delegate to the Chief Executive Officer the ability to make such awards, grants and incentive payments up to a predetermined threshold with ratification by the Committee thereafter.
3. The Committee shall perform such duties and responsibilities as may be assigned to the Committee or the Board under the terms of any general compensation and employee benefit plan.

Evaluation of the Committee

The Committee shall, on an annual basis, evaluate its performance. In conducting this review, the Committee shall evaluate whether this Charter appropriately addresses the matters that are or should be within its scope and shall recommend such changes as it deems necessary or appropriate. The Committee shall address all matters that the Committee considers relevant to its performance, including at least the following: the adequacy, appropriateness and quality of the information and recommendations presented by the Committee to the Board, the manner in which they were discussed or debated, and whether the number and length of meetings of the Committee were adequate for the Committee to complete its work in a thorough and thoughtful manner.

The Committee shall deliver to the Board a report, which may be oral, setting forth the results of its evaluation, including any recommended amendments to this Charter and any recommended changes to the Company's or the Board's policies or procedures.

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While the members of the Committee have the duties and responsibilities set forth in this Char-

Effective July 1, 2013

ter, nothing contained in this Charter is intended to create, or should be construed as creating, any responsibility or liability of members of the Committee, except to the extent otherwise provided under applicable federal or state law.