
Global Brokerage, Inc.

CORPORATE GOVERNANCE GUIDELINES

INTRODUCTION

The Board of Directors (the “Board”) of Global Brokerage, Inc. (the “Company”) has adopted these corporate governance guidelines, which describe the principles and practices that the Board will follow in carrying out its responsibilities.

A. Role and Responsibility of the Board

The Board directs and oversees the management of the business and affairs of the Company in a manner consistent with the best interests of the Company and its stockholders. In this oversight role, the Board serves as the ultimate decision-making body of the Company, except for those matters reserved to or shared with the stockholders. The Board selects and oversees the members of senior management, who are charged by the Board with conducting the business of the Company.

B. Board Composition, Structure and Policies

1. **Board Size.** The Corporate Governance and Nominating Committee shall consider and make recommendations to the Board concerning the appropriate size and needs of the Board. The Corporate Governance and Nominating Committee shall also consider candidates to fill new positions created by expansion and vacancies that occur by resignation, retirement or for any other reason. Consistent with the Company’s by-laws, the exact number of directors shall from time to time be fixed by resolution adopted by the affirmative vote of the majority of the Board.
2. **Independence of Directors.** A majority of the Board shall be comprised of directors meeting the independence requirements of the rules of the NASDAQ Stock Market (the “NASDAQ Rules”); *provided, however*, that the Board of Directors may opt to rely upon the transition periods applicable to initial public offerings under the NASDAQ Rules; *provided, further*, that the Company may avail itself of the exemption provided to “controlled companies” for such time that the Company qualifies as a “controlled company” under the NASDAQ Rules as well as any related phase-in period provided thereunder once the Company ceases to be a “controlled company”.

The Board shall make an affirmative determination at least annually as to the independence of each director. The Company defines an “independent” director in accordance with Rule 5605(a)(2) of the NASDAQ Rules. The NASDAQ independence definition includes a series of objective tests, such as that the director is not an employee of the Company and has not engaged in various types of business dealings with the Company. In addition, the Board has established categorical standards to assist in making its independence determinations. Such standards are set forth in Annex A hereto. Because it is not possible to anticipate or explicitly provide for all potential conflicts of interest that may affect independence, the Board is also responsible for determining affirmatively, as to each independent director, that no material relationships exist which, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director. In making these determinations, the Board will broadly consider all relevant facts and circumstances, including information provided by the directors and the Company with regard to each director’s business and personal activities as they may relate to the Company and the Company’s management. As the concern is independence from management, the Board does not view ownership of even a significant amount of stock, by itself, as a bar to an independence finding.

3. ***Selection of Chairperson of the Board and Chief Executive Officer.*** The Board shall select its chairperson (“Chairperson”) and the Company’s Chief Executive Officer (“CEO”) in any way it considers in the best interests of the Company. Therefore, the Board does not have a policy on whether the role of Chairperson and CEO should be separate or combined and, if it is to be separate, whether the Chairperson should be selected from the independent directors or should be an employee of the Company.
4. ***Director Qualification Standards.*** The Corporate Governance and Nominating Committee is responsible for reviewing the qualifications of potential director candidates and recommending to the Board those candidates to be nominated for election to the Board. The Corporate Governance and Nominating Committee will consider (a) minimum individual qualifications, including relevant career experience, strength of character, mature judgment, familiarity with the Company’s business and industry, independence of thought and an ability to work collegially with the other members of the Board and (b) all other factors it considers appropriate, which may include age, diversity of background, existing commitments to other businesses, potential conflicts of interest with other pursuits, legal considerations such as antitrust issues, corporate governance background, financial and accounting background, executive compensation background and the size, composition and combined expertise of the existing Board. The Board should monitor the mix of specific experience, qualifications and skills of its directors in order to assure that the Board, as a whole, has the necessary tools to perform its oversight function effectively in light of the Company’s business and structure. Stockholders may also nominate directors for election at the Company’s annual stockholders meeting by following the

provisions set forth in the Company's by-laws, whose qualifications the Corporate Governance and Nominating Committee will consider.

5. ***Change in Employment Status of Employee Directors.*** Directors who are also employees of the Company or any of its subsidiaries should offer to resign if they cease to be so employed for any reason. The Corporate Governance and Nominating Committee will recommend to the Board the action, if any, to be taken with respect to the offer to resign.
6. ***Director Orientation and Continuing Education.*** Management, working with the Board, will provide an orientation process for new directors and coordinate director continuing education programs. The orientation programs are designed to familiarize new directors with the Company's businesses, strategies and challenges and to assist new directors in developing and maintaining skills necessary or appropriate for the performance of their responsibilities. As appropriate, management shall prepare additional educational sessions for directors on matters relevant to the Company and its business. Directors are also encouraged to participate in educational programs relevant to their responsibilities, including programs conducted by universities and other educational institutions.
7. ***Presiding Independent Director.*** Whenever the Chairperson of the Board is also the CEO or is a director who does not otherwise qualify as an "independent director", the independent directors will elect from among themselves a Presiding Independent Director who will call and chair the regularly scheduled executive sessions of the independent directors. A description of the position of Presiding Independent Director is set forth in Annex B to these guidelines.
8. ***Term Limits.*** The Board does not have a policy to impose term limits for directors because such a policy may deprive the Board of the service of directors who have developed, through valuable experience over time, an increasing insight into the Company and its operations.

C. Board Meetings

1. ***Frequency of Meetings.*** The Board currently plans at least four meetings each year, with further meetings to occur (or action to be taken by unanimous consent) at the discretion of the Board.
2. ***Selection of Board Agenda Items.*** The Chairperson (in consultation with the then-serving Presiding Independent Director, if any, as appropriate) shall set the agenda for Board meetings with the understanding that the other members of the Board may provide suggestions for agenda items that are aligned with the advisory and monitoring functions of the Board. Agenda items that fall within the scope of responsibilities of a Board committee are reviewed with the chairperson of that committee. Any member of the Board may request that an item be included on the agenda.

3. ***Access to Management and Independent Advisors.*** Board members shall have free access to all members of management and employees of the Company and, as necessary and appropriate, Board members may consult with independent legal, financial, accounting and other advisors, at the Company's expense, to assist in their duties to the Company and its stockholders.
4. ***Executive Sessions.*** To ensure free and open discussion and communication, the independent directors will meet in regularly scheduled executive sessions at which only independent directors are present (and the management and affiliated directors are excluded) at least twice a year, and, if appropriate, more frequently, in conjunction with regularly scheduled Board meetings.

D. Committees of the Board

It is expected that the Board will have at least three standing committees: the Audit Committee, the Compensation Committee and the Corporate Governance and Nominating Committee. Each such committee shall have a written charter and shall report regularly to the Board summarizing the committee's actions and any significant issues considered by the committee.

The Corporate Governance and Nominating Committee shall be responsible for identifying Board members qualified to serve on each standing committee (including the member who should chair each such committee) and recommending that the Board appoint the identified members to the applicable committee and designate the identified chairpersons.

The Board may, at any time deemed desirable, establish and/or discontinue any standing or special committee, subject to the requirements of the Company's by-laws, applicable law and the NASDAQ Rules. Any additional standing or special committee shall be comprised of such members of the Board and have such duties as the Board may from time to time determine.

E. Expectations of Directors

The business and affairs of the Company shall be managed by or under the direction of the Board in accordance with state and other applicable laws and regulations. In performing their duties, the primary responsibility of the directors is to exercise their business judgment in the best interests of the Company. The Board has developed a number of specific expectations of directors to promote the discharge of this responsibility and the efficient conduct of the Board's business.

1. ***Commitment and Attendance.*** All directors are expected to make every effort to attend all meetings of the Board, meetings of the committees of which they are members and the annual meeting of stockholders. Members are encouraged to attend Board meetings and meetings of committees of which they are members in person but may also attend such meetings by telephone or video conference.
2. ***Participation in Meetings.*** Each director should be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks and competition it faces, to facilitate active and effective participation in the deliberations of the Board and of each committee on which he

or she serves. Management will make appropriate personnel available to answer any questions a director may have about any aspect of the Company's business.

Directors should also review the materials provided by management and advisors in advance of the meetings of the Board and its committees and should arrive prepared to discuss the issues presented.

3. ***Loyalty and Ethics.*** In their roles as directors, all directors owe a duty of loyalty to the Company. The Company has adopted a Code of Business Ethics and Director, Officer & Employee Conduct (the "Code"), and directors are expected to adhere to the Code.
4. ***Other Directorships and Significant Activities.*** Serving on the Board requires significant time and attention. Directors are expected to spend the time needed and meet as often as necessary to discharge their responsibilities properly. It is expected that, without specific approval from the Board, no director will serve on more than five public company boards (including the Company's Board), and no member of the Audit Committee will serve on more than three public company audit committees (including the Company's Audit Committee). Directors should advise the Chairperson of the Corporate Governance and Nominating Committee before accepting membership on other boards of directors or other significant commitments involving affiliation with other businesses, non-profit entities or governmental units.
5. ***Contact with Management.*** All directors are invited to contact the CEO at any time to discuss any aspect of the Company's business. Directors also have complete access to other members of management. The Board expects that there will be frequent opportunities for directors to meet with the CEO and other members of management in Board and committee meetings and in other formal or informal settings.
6. ***Confidentiality.*** The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.

F. Annual Compensation Committee Evaluation of the CEO

The Compensation Committee is responsible for reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those goals and objectives, and, together with the other independent directors, determining and approving such compensation.

G. Management Succession Planning

The Board will periodically review a management succession plan that includes, among other things, an assessment of the experience, performance and skills for possible successors to the CEO and policies regarding succession in the event of an emergency or the CEO's retirement.

H. Evaluation of Board Performance

The Board will conduct a self-evaluation at least annually to determine whether it and its committees are functioning effectively. The Corporate Governance and Nominating Committee will periodically consider the mix of skills and experience that directors bring to the Board to assess whether the Board has the necessary tools to perform its oversight function effectively. If the independent directors have elected a Presiding Independent Director, he or she is expected to be responsible for the oversight of the Board's self-evaluation.

Each standing committee of the Board will conduct a self-evaluation at least annually to determine whether it is functioning effectively and consider the mix of skills and experience that directors bring to such committee to assess whether each committee has the necessary tools to perform its function effectively. Each standing committee shall report its results to the Board, acting through the Corporate Governance and Nominating Committee. Each standing committee's evaluation must compare the performance of the committee with the requirements of its written charter.

I. Board Compensation

The Compensation Committee will review the form and amount of director compensation from time to time and recommend any changes to the Board, as it deems appropriate. Directors who are employed by the Company are not paid additional compensation for their services as directors.

J. Communications with Third Parties

The CEO is responsible for establishing effective communications with all interested parties, including stockholders of the Company. It is the policy of the Company that management speaks for the Company. This policy does not preclude outside directors from communicating with interested parties, but it is expected that any such communication shall be held with the prior knowledge of management and, absent unusual circumstances, only at the request of management.

K. Communications with Independent Directors

Anyone who would like to communicate with, or otherwise make his or her concerns known directly to the Chairperson, to any then-serving Presiding Independent Director or to the independent directors as a group, may do so by addressing such communications or concerns to the Secretary of the Company, 55 Water Street, 50th Floor, New York, NY 10041, who will forward such communications to the appropriate party. Such communications may be done confidentially or anonymously.

ANNEX A CATEGORICAL STANDARDS OF DIRECTOR INDEPENDENCE

A director is considered independent if the Board makes an affirmative determination, after a review of all relevant information, that the director has no material relationship, either directly or indirectly, with the Company or any of its subsidiaries. The Board has established the categorical standards set forth below to assist it in making such determinations.

A director will not be independent if:

(A) a director was at any time during the past three years was, employed by the Company;

(B) a director accepted or who has a family member who accepted any compensation from the Company in excess of \$120,000 during any period of twelve consecutive months within the three years preceding the determination of independence, other than the following:

(i) compensation for board or board committee service;

(ii) compensation paid to a Family Member who is an employee (other than an Executive Officer) of the Company; or

(iii) benefits under a tax-qualified retirement plan, or non-discretionary compensation.

(C) a director has a family member of an individual who is, or at any time during the past three years was, employed by the Company as an Executive Officer;

(D) a director is, or has a family member who is, a partner in, or a controlling shareholder or an Executive Officer of, any organization to which the Company made, or from which the Company received, payments for property or services in the current or any of the past three fiscal years that exceed 5% of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more, other than the following:

(i) payments arising solely from investments in the Company's securities; or

(ii) payments under non-discretionary charitable contribution matching programs.

(E) a director of the Company is, or has a family member who is, employed as an Executive Officer of another entity where at any time during the past three years any of the Executive Officers of the Company serve on the compensation committee of such other entity; or

(F) a director is, or has a family member who is, a current partner of the Company's outside auditor, or was a partner or employee of the Company's outside auditor who worked on the Company's audit at any time during any of the past three years.

ANNEX B
DESCRIPTION OF PRESIDING INDEPENDENT DIRECTOR POSITION

If the Chairperson is not an independent director, and if the independent directors elect a Presiding Independent Director, it is expected that the Presiding Independent Director will:

- Call, chair and set the agenda for meetings of the board at which the Chairperson is not present, including executive sessions of the independent directors;
- Serve as liaison between the Chairperson and the independent directors;
- Ensure that he is available for consultation and direct communication if requested by major shareholders;
- Assist the Chairperson in preparing the agenda for Board meetings and setting meeting schedules;
- Assist the Chairperson in determining the types of materials and information that are to be distributed to directors;
- Lead the other independent directors, together with the Compensation Committee, in periodic reviews of the performance of the CEO and determining and approving the CEO's compensation, as well as in discussions regarding the CEO's reports on senior management performance and senior management succession issues and plans;
- Brief the Chairperson on issues arising in the executive sessions of the independent directors; and
- Serve as a non-exclusive liaison among the independent directors and the other Board members.