

# Code of Business Ethics and Director, Officer & Employee Conduct

## Introduction

FXCM Inc. ("FXCM" or the "Company"), including our subsidiaries, affiliates and related entities, is committed to maintaining the highest level of public trust and confidence. We recognize that our reputation hinges on the adherence of our directors, officers and employees to the highest standards of ethical behavior and professionalism in the performance of their duties.

This Code of Business Ethics and Director, Officer & Employee Conduct (the "Code") sets forth a summary of the common standards we have established for the Company, its directors, officers and employees. The Code is designed to promote the values and principles it embodies and to deter any wrongdoing. The Code is crucial in ensuring that our directors, officers and employees - as well as the public at large - are aware of the standards we have set for ourselves. All directors, officers and employees are personally responsible for compliance with the Code, and failure to comply with its provisions is grounds for disciplinary action, which may include dismissal, and referral to the relevant governmental authorities and other regulatory bodies, where appropriate. Regarding any course of conduct not specifically addressed in the Code, officers and employees are instructed to consult their supervisors or an appropriate representative of the Legal or Compliance Departments, but ultimately, they are responsible for using good judgment and acting in a manner consistent with the spirit, principles, and values embodied in the Code.

## Governing Laws & Regulations

FXCM's objective is to provide our clients with the utmost in value and customer service and to maximize their foreign exchange ("forex") trading experience. Notwithstanding these objectives, the Company places legal and regulatory compliance above profits. In our business conduct, we must always be in compliance with applicable laws and regulations.

FXCM is a registered Futures Commission Merchant ("FCM") with the Commodity Futures Trading Commission ("CFTC") and is a member of the National Futures Association ("NFA"). FXCM directors, officers and employees are expected to comply not only with the letter but also with the spirit of all applicable laws and regulations.

FXCM's principal operating subsidiaries are also registered with or licensed by the Financial Services Authority in the United Kingdom, the Securities and Futures Commission in Hong Kong, the Australian Securities and Investment Commission in Australia, and the Kanto Local Finance Bureau in Japan.

## Core Ethical Values

### Integrity

FXCM realizes that our success is based on the Company's reputation for integrity along with the public trust and confidence this reputation has garnered. We respect the interests of our clients, honor our commitments, and are forthright in promising only what we can deliver.

### Honesty

A general requirement of any NFA Member is that communications with the public may not be deceptive or misleading. FXCM believes that the imperative for truthfulness does not stem merely from the strictures of regulatory compliance. Rather, it is due to our philosophy of increased investor protection that we undertake every effort to ensure that our client communications and promotional materials are truthful and complete. Accurate and complete information enables investors to make intelligent decisions and, therefore, our statements are designed not to confuse or mislead.

### Fairness

FXCM is committed to treating those with whom we deal in the same manner that we expect to be treated by others. We apply this approach in a consistent, non-discriminatory manner; from our largest institutional investors to our smallest account holders.

We compete aggressively in furtherance of our overall interests, yet we do so fairly, ethically, and in a manner that fully complies with all applicable laws and regulations, as well as the values and principles embodied in the Code.

Our history of success has been achieved through honest business competition. We do not seek competitive advantages through illegal or unethical business practices. We endeavor to deal fairly with our clients, service providers, competitors, and individual colleagues. We oppose taking unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice.

#### Responsibility

FXCM has a history of living up to the commitments and responsibilities we have towards our clients, employees, service providers, government authorities, regulators, competitors, the media, and society. To our clients, we are committed to providing our products and services in an efficient and innovative manner consistent with their needs, and we offer a trading environment that is fast, reliable, convenient, and valuable in terms of price and quality. To our employees, we offer challenging positions in a professional and collegial environment and equal opportunities for performance-based professional development. To our service providers, we seek to build mutually beneficial relationships, while promoting the Code's principles in the process. To our regulators, we strive to strictly observe and comply with all relevant laws, rules, regulations and standards of good business practice. We do not sacrifice legal and regulatory compliance for the sake of profits; rather, we offer the authorities and regulatory bodies our cooperation and assistance toward the shared goal of investor protection. To our competitors, we are committed to respectable business practices and to compete by providing superior products and services. To the media, we offer our support in providing accurate and objective coverage of our business. As a member of society at large, we offer our support to many organizations and institutions dedicated to social, charitable, educational, humanitarian and cultural causes. We are committed to remaining a responsible, law-abiding corporate member of society.

#### Competence

FXCM invests tremendous resources of time, energy, and expense into developing our forex products and services and proprietary trading platform. In addition, FXCM has built a strong network of global banks, financial institutions and other market makers to provide our customers with a competitive price quotation on every trade. We value both innovation and experience in our personnel. Our directors, officers and employees possess a wealth of experience in the foreign currency markets.

#### Reliability

Reliability is the hallmark of FXCM and the products and services we offer. The Company provides 24-hours a day, seven days a week customer service in English that includes sales, dealing, administrative, and technical support. Our goal is to give clients peace of mind in the knowledge that they can depend on us, thereby freeing them to dedicate more attention to their individual investment strategies.

## **Core Professional Values - Business Practices**

#### Regulatory Compliance

FXCM acknowledges the importance of all relevant laws, rules, regulations, policies and standards - whether internal or external - and complies with them. We are committed to strict management discipline and a first-class control and compliance environment. As an FCM, FXCM is required to meet strict financial standards, including capital adequacy requirements. We are also required to routinely submit financial reports to our regulators, both domestic and overseas. These standards are rigorously enforced by the CFTC and NFA, which have the right to fine firms and/or terminate their regulatory status for violations.

#### Due Diligence

FXCM conducts due diligence so that we know our clients, and conduct our transactions in accordance with all applicable laws, rules and regulations. FXCM has adopted a Customer Identification Program a/k/a Know Your Customer Policy documenting our procedures to obtain, verify and record information that accurately identifies each person who opens an account with us. All employees are required to comply with the Customer Identification Program and Know Your Customer policies and procedures.

#### Communication and Reporting

It is FXCM's policy that the information in our communications be full, fair, accurate, timely, and understandable. This

policy applies to communications with the New York Stock Exchange, the Securities and Exchange Commission and other government authorities, regulators, employees, clients, and the media. All directors, officers and employees involved in our disclosure process (including upper-level management) are responsible for acting in furtherance of this policy. In particular, these individuals are required to maintain familiarity with applicable disclosure requirements, and they are prohibited from knowingly misrepresenting, omitting, or causing others to misrepresent or omit, material facts to others, whether within or outside the Company, including our independent auditors. Those engaged in a supervisory role over our disclosure process have an obligation to discharge their duties with diligence.

#### Books & Records

FXCM records in a complete, accurate and timely manner, all transactions and obligations on our client accounts. We maintain systems of internal accounting controls designed to ensure the reliability and adequacy of our client account records, and the regulatory reports they generate. We maintain records for the periods required by applicable laws and regulations.

#### Audits

FXCM is committed to an independent, robust internal and external audit process to supplement our operational processes and to help us identify and address any relevant accounting, internal accounting controls or auditing matters. Our managers cooperate fully with our auditors to reach and implement solutions in an efficient and timely manner.

#### Confidentiality

FXCM maintains appropriate instruments to control and monitor the transfer of confidential and sensitive information within and, as far as possible, outside the Company on a need-to-know basis. We do not deliberately disclose non-public information concerning our business, our clients or our employees, unless in connection with the delivery of services to our clients, upon request of our clients, or as required to do so by law.

#### Transparency

FXCM strives to maintain an open and transparent dialogue with our clients and others, based on fairness, mutual respect, and professionalism.

#### Risk Management

FXCM advises clients to engage in conscious, disciplined and intelligent risk taking. For our part, we are guided by the principle of adherence to the appropriate legal and regulatory frameworks as well as the instruments, procedures and managerial approval processes to monitor, control, and manage the risks to which we are exposed.

#### Anti-Money Laundering

Money laundering is the process by which persons or businesses attempt to conceal the origin and ownership of the proceeds of illegal activity such as fraud, theft, drug trafficking, or any other crime. Money laundering may also involve the use of legitimately derived funds to finance terrorism. Various financial products and transactions, including those related to the foreign exchange market, may be involved in money laundering schemes. Accordingly, we are aggressive in not allowing the Company to be used as a vehicle for such activity. Money laundering is a criminal offense and can subject its perpetrators and/or facilitators to substantial criminal and civil sanctions, including imprisonment and fines.

To ensure compliance with anti-money laundering laws and regulations, FXCM has implemented policies and procedures to detect, prevent and report money laundering or other suspicious activity.

#### Continuous Improvement

While the Code does not create legally binding obligations on FXCM, nor does it confer legal rights to our employees or others, we actively review our past performance and strive to adhere to the principles and values included herein.

## Core Professional Values - Employment Practices

### FXCM's Commitments to Employees

#### Excellence & Equal Opportunity

FXCM seeks to create and maintain a professional environment designed to attract, develop, and retain outstanding people. We offer equal opportunities, irrespective of race, national origin, ancestry, gender, sex, sexual orientation, religion, age, physical disability, medical condition, or pregnancy. We will not tolerate any form of unlawful discrimination, harassment, retaliation, or retribution. Employees are instructed to consult the Employee Manual for our complete harassment policies and reporting procedures.

#### Competitive Reward System

FXCM offers a performance-based culture, with a corresponding competitive reward system and periodic fair and objective evaluations which take into account personal contribution to our overall efforts, as well as adherence to the values and principles set forth in the Code. Our officers and managers maintain an open-door policy designed to give each and every employee easy access to management.

#### Violations

We assess whether violations of the Code have occurred and, if so, determine whether or not disciplinary measures should be taken against the violator and others involved in the wrongdoing. Disciplinary measures may include, but are not limited to, counseling, oral or written reprimands, warnings, probation or suspension without pay, demotions, reductions in compensation, termination of employment, restitution, and legal action.

#### Waivers

We may waive application of the Code in certain limited situations. Any waivers of Code provisions may be granted only in exceptional circumstances, and only upon management review in the case of employees. An employee who believes that a waiver may be called for is instructed to discuss the matter with our General Counsel and/or Chief Compliance Officer.

With respect to directors and officers, any waiver of any provision of the Code must be approved by the Board or a committee of the Board and will be promptly disclosed as required by applicable securities laws and the New York Stock Exchange rules.

## Director, Officer & Employee Responsibilities

### Compliance

Each FXCM director, officer and employee is personally responsible to abide by all applicable laws, rules, and regulations, as well as the internal policies of FXCM, including the principles and values embodied in the Code. These responsibilities include being familiar with the laws, rules, regulations, guidelines, manuals, and emerging best business practices relevant to their duties, and implementing them to the best of their abilities.

### Insider Trading

All directors, officers and employees are prohibited from:

- buying or selling FXCM's securities at any time when in possession of material, non-public information (including transactions in securities held through employee benefits plans, such as 401(k) plans);
- buying or selling securities of any other company at any time when in possession of material, non-public information obtained as a result of the employment or relationship of the director, executive officer or employee to the Company;
- disclosing material, non-public information to any other person, including spouses, relatives, friends, co-habitants or business associates, who then trades in securities or passes the information on further ("tipping") or starting rumors related to material, non-public information;
- engaging in short-term investment activities or "day-trading" of FXCM's securities;

- engaging in “short-selling” of FXCM’s securities (i.e. selling FXCM’s securities that such person does not own and borrowing such securities to make delivery); and
- buying or selling puts, calls, options or similar company-based derivative securities, including for hedging purposes.

Generally, information is “non-public” if it has not been effectively made available to investors generally, and information is “material” if there is a substantial likelihood that a reasonable investor would consider it important in making a decision to buy, sell or hold a security or where it is likely to have a significant effect on the market price of the security. Both positive and negative information may be material. While it is not possible to compile an exhaustive list, information concerning any of the following items will likely be considered material:

- quarterly or annual results;
- guidance on earnings estimates and confirming such guidance on a later date;
- mergers, acquisitions, tender offers, joint ventures, or changes in assets;
- new products or discoveries;
- developments regarding customers or suppliers, including the acquisition or loss of an important contract;
- changes in control or in management;
- changes in compensation policy;
- change in independent registered public accounting firm or notification that the Company may no longer rely on such firm’s report;
- financings and other events regarding the Company’s securities (e.g., defaults on securities, calls of securities for redemption, repurchase plans, stock splits, public or private sales of securities, changes in dividends and changes to the rights of securityholders);
- significant write-offs;
- significant litigation; and
- bankruptcy, corporate restructuring or receivership.

The term “securities” should be broadly construed and shall include, but not be limited to, stock, preferred stock, debt securities, such as bonds, notes and debentures, as well as puts, calls, options and other derivative instruments.

The rules above apply to all directors, officers and employees, regardless of whether they are located in the U.S. or abroad. Violation of these rules may expose both FXCM and the director, officer and employee to criminal and civil sanctions. In addition, directors, officers and employees who involve themselves in the prohibited transactions listed above are subject to immediate termination. It should be noted that persons subject to the Code may not violate the rules above even indirectly. Accordingly, you should assume that your family members may not take any actions which you are prohibited from taking.

FXCM has adopted a securities trading policy entitled “Policies and Procedures for Trading in Securities of FXCM Inc. by Directors, Executive Officers and Access Employees”. Each director, executive officer and Access Employee (as defined in such policies and procedures) should read such policies and procedures in their entirety and refer back to them periodically for additional guidance.

If you have any doubts as to the propriety of any transaction, you should seek advice from the General Counsel’s office before undertaking the sale or purchase of any FXCM or other securities.

#### Customer Focus

We actively seek to distinguish ourselves from competitors in the area of customer service. We expect and encourage our employees to foster a customer-focused approach, and to treat our clients with utmost courtesy, professionalism and respect.

#### Teamwork

We expect our directors, officers and employees to embrace teamwork and to contribute their best efforts toward reaching common goals.

#### Honesty & Fair Dealing

We expect our directors, officers and employees to act at all times in good faith, with due care, competence, credibility and diligence, and without any misrepresentation of material facts.

Each director, officer and employee shall endeavor to deal fairly with the Company's customers, competitors, suppliers and employees. No director, officer or employee shall take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair practice.

No bribes, kickbacks or other similar payments in any form shall be made directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favorable action. The Company and the director, officer or employee involved may be subject to disciplinary action as well as potential civil or criminal liability for violation of the Code. For more information please refer to the FXCM Holdings LLC Anti-Corruption Policy Statement and Compliance Guide.

#### Confidentiality

During the course of their service, directors, officers and employees may be provided access to confidential information regarding our clients, competitors, trade practices, systems, marketing or strategic plans, fees and revenues, and other knowledge considered proprietary by FXCM or our clients. Directors, officers and employees are not permitted to disclose or use, either during or subsequent to their employment with FXCM, any such information they receive or develop, except for authorized business purposes or where legally mandated. This includes, but is not limited to, information stored on any computer system as well as proprietary software developed by FXCM.

Any director, officer or employee who possesses confidential information has an important responsibility to keep that information confidential, and to disclose such information internally only on a need-to-know basis. Directors, officers and employees must be discreet with confidential information and avoid communicating confidential matters in ways that are susceptible to interpretation or use by third parties.

#### Public Dissemination of Company Information

It is particularly important that external communications are accurate, consistent and do not violate our confidentiality obligations or applicable laws, rules and regulations. Published information can have a significant effect on our reputation as well as business and legal consequences. External communications include, but are not limited to, communications to the news media, financial and industry analysts, governmental entities, investors, our industry colleagues, customers and other members of outside groups.

To be sure that work-related communications comply with all our policies and applicable laws, we require review of certain communications. If you are approached by the media, an investor or an analyst or wish to publish information or make an external presentation, you should contact the Legal or Compliance Departments for advice and review. This advice and review process is particularly important in light of FXCM being a public company. You must also review the "FXCM Inc. Corporate Policy and Procedures for Compliance with Regulation FD" for further information related to outside communications about FXCM.

It is important for you to bear in mind that the ease of electronic communication means that information about FXCM that you did not intend to become public may end up becoming widely disseminated through the Internet. Given this potentiality, you must exercise caution with respect to correspondence related to FXCM. In the event of unintended disclosure of work-related information in violation of company policy or applicable laws, rules and regulations, you should promptly notify the Legal or Compliance Departments.

#### Conflicts of Interest

Personal conflicts of interest arise when directors, officers or employees face a choice between their personal interests (financial or otherwise) and those of the Company. Conflicts of interest may call into question the Company's integrity as a whole. Accordingly, a director, officer or employee's service to the Company may not be subordinated to personal gain and advantage. All directors, officers and employees are expected to act in the Company's best interest. Any director, officer or employee in a position where his or her objectivity may be questioned because of an individual interest or family or personal relationship should consult his or her supervisor or an appropriate representative of the Legal or Compliance Departments. Similarly, any director, officer or employee aware of a transaction or relationship that could reasonably be expected to give rise to a personal conflict of interest should promptly discuss the matter with a supervisor or Legal or Compliance Officer. For additional information, see "Questions Regarding the Code & Reporting Violations" below.

## FXCM Opportunities

It is the Company's policy that directors, officers and employees may not (i) take opportunities for themselves that are discovered through the use of Company property, information or position or (ii) use Company property, information or position for personal gain. Furthermore, directors, officers and employees may not compete with the Company, directly or indirectly. Directors, officers and employees have a duty to the Company to advance its legitimate interests when the opportunity to do so arises.

## Protection and Proper Use of FXCM Assets

Theft, carelessness and waste have a direct impact on the Company's profitability. Directors, officers and employees have a duty to safeguard Company assets and ensure their efficient use. Company assets should be used only for legitimate business purposes, and directors, officers and employees should take measures to ensure against their theft, damage or misuse.

Company assets include intellectual property such as patents, copyrights, trademarks/branding, business and marketing plans, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information is a violation of Company policy.

## Outside Employment

Employment and participation in other activities outside the Company could interfere with an individual's duties as an FXCM director, officer or employee. Service by any employee as a director, trustee, officer or employee (paid, unpaid, elected, appointed or otherwise) of any business other than FXCM, or any charitable, civic, religious, political or educational organization requires written approval from the Legal or Compliance Departments. Unless given specific permission, service by any employee on a board or in an advisory position with other firms in the foreign currency industry, and particularly with any of our clients, is not allowed.

## Questions Regarding the Code & Reporting Violations

Employees are encouraged to talk to their supervisors when in doubt about the best course of action in a particular situation. Any questions regarding the Code and its applicability may be directed to your supervisor or the Legal or Compliance Departments.

We encourage reporting of violations of laws, rules, regulations or the Code to be done directly to relevant supervisors and appropriate representatives of the Legal and Compliance Departments or, where appropriate, directly to higher levels of management. Reports by officers and employees may be made on a confidential, anonymous basis. In case of violations by directors, senior employees and officers, such reports should be made to an appropriate representative of the Legal or Compliance Departments.

Under FXCM's Whistleblower Policy, any employee may, in his or her sole discretion, report to the Audit Committee, the General Counsel or to the Company's Ethics and Compliance Hotline, openly, confidentially or anonymously (i) any questionable accounting, internal accounting controls or auditing matters ("Accounting Allegations"); (ii) non-compliance with applicable legal and regulatory requirements or the Code ("Legal Allegations"); or (iii) retaliation against employees and other persons who make, in good faith, Accounting Allegations or Legal Allegations, in each case through any avenue available, including:

- in writing to FXCM Inc., Attn: Audit Committee or General Counsel, 55 Water Street, 50<sup>th</sup> Floor, New York, NY 10041;
- by calling (877) 882-3925 at any time; or
- by accessing <http://reportlineweb.com/fxcm> and submitting a message.

Any other interested party may report to the Audit Committee, the General Counsel or to the Company's Ethics and Compliance Hotline any issue regarding questionable accounting, internal accounting controls or other auditing matters, legal allegations or retaliatory acts, as set forth in the preceding paragraph. Any such report must be accompanied by the name of the person submitting the report.

All reports should be factual rather than speculative or conclusory, and should contain as much specific information as possible to allow for proper assessment. In addition, all reports should contain sufficient corroborating information to support the commencement of an investigation, including, for example, the names of individuals suspected of violations, the relevant facts of the violations, how the complainant became aware of the violations, any steps previously taken by the complainant, who may be harmed or affected by the violations, and, to the extent possible, an estimate of the misreporting or losses to the Company as a result of the violations.

The hotline above and website are managed by an outside, independent service provider and allow any employee or other interested party of the Company to make a report. Employees are able to submit a report on an anonymously and confidential basis and are not required to divulge their names.

The hotline above and website service provider will explain to each caller procedures for following up on the report (including the caller's providing additional information at a later date).

*The Company expressly prohibits retaliation against any director, officer or employee for reports made in good faith.*