

## **MARKETAXESS HOLDINGS INC.**

### **AUDIT COMMITTEE CHARTER**

#### **I. Purpose**

The purpose of the Audit Committee (the “Committee”) is to assist the Board of Directors (the “Board”) by overseeing the accounting and financial reporting process of the Company and the audits of the financial statements of the Company.

The Committee is also responsible for preparing the audit committee report required by the rules of the Securities and Exchange Commission (the “SEC”) to be included in the Company’s proxy statement for its annual meeting of stockholders.

#### **II. Committee Membership**

The Committee shall consist of no fewer than three members. Each member of the Committee shall be a member of the Board and shall meet the independence and experience requirements of the NASDAQ National Market (or, with the approval of the Board, satisfy one or more of the exceptions permitted by NASDAQ), Section 10A(m)(3) of the Securities Exchange Act of 1934 (the “Exchange Act”), and all rules and regulations promulgated by the SEC. Each member of the Committee must be able to read and understand fundamental financial statements, including a company’s balance sheet, income statement, and cash flow statement. In addition, at least one member of the Committee must have past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual’s financial sophistication, and at least one member of the Committee shall be a “financial expert” (as defined by the SEC). No member of the Committee may participate in the preparation of the financial statements of the Company or any current subsidiary of the Company, or have so participated in the three years prior to joining the Committee.

The members of the Committee shall be appointed and replaced by the Board. Unless a Chair is appointed by the full Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

#### **III. Committee Rules of Procedure**

The Committee shall meet as often as it determines, but not less frequently than quarterly. Special meetings may be convened as the Committee deems necessary or appropriate.

A majority of the members of the Committee shall constitute a quorum to transact business. Members of the Committee may participate in a meeting of the Committee by means of telephone conference call or similar communications equipment by means of which all persons participating in the meeting can hear each other. Except in extraordinary circumstances as determined by the Chairman of the Committee, notice shall be delivered to all Committee members at least 48 hours in advance of the scheduled meeting. Minutes of each meeting will be kept and distributed to the entire Board.

The affirmative vote of a majority of the members of the Committee present at the time of such vote will be required to approve any action of the Committee. Subject to the requirements of any applicable law, regulation or NASDAQ National Market rule, any action required or permitted to be taken at a meeting of the Committee may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all of the members of the Committee. Such written consent shall have the same force as a unanimous vote of the Committee.

#### **IV. Committee Authority and Responsibilities**

The Committee shall be directly responsible for the appointment, compensation, retention and oversight of any registered public accounting firm engaged by the Company (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. Each such registered public accounting firm will report directly to the Committee. The Committee shall have the sole authority to approve all audit engagement fees and terms and all permitted non-audit engagements with the independent auditors.

The Committee shall, to the extent required by any law, regulation or NASDAQ rule, approve in advance all audit and non-audit engagements of the Company's independent auditors. The Committee may delegate to one or more of its members who are independent directors on the Board the authority to approve the performance of audit and non-audit services by the Company's independent auditors (a "Sub-Committee"). Any decision by a Sub-Committee shall be presented to the full Committee at its next scheduled meeting. Neither the Committee nor any Sub-Committee shall approve any engagements of the Company's outside auditors with respect to those services set forth in Section 10A(g)(1) through (9) of the Exchange Act. In the event the Committee or any Sub-Committee approves any non-audit services by the Company's independent auditors, such approval shall be disclosed in periodic reports required by Section 13(a) of the Exchange Act. The pre-approval requirement is not applicable with respect to the provision of non-audit services by the Company's outside auditors where (i) such services were not recognized by the Company at the time of the engagement to be non-audit services, (ii) the aggregate amount of all such non-audit services provided to the Company constitutes not more than 5% of the total amount paid by the Company to the Company's independent auditors during the fiscal year in which the non-audit services are provided and (iii) such services are promptly brought to the attention of the Committee and approved prior to the completion of the audit by the Committee or a Sub-Committee.

The Committee shall have the authority to engage independent counsel and other advisors, as it determines necessary to carry out its responsibilities. The Committee shall have the sole authority to approve all fees and terms of engagement of such advisors.

The Company shall provide for appropriate funding, as determined by the Committee, in its capacity as a committee of the Board, for payment of: (i) compensation to any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company; (ii) compensation to any independent counsel and other advisors engaged by the Committee; and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.

Subject to the limitations described above with regard to the independent auditor, the Committee may form and delegate authority to subcommittees to the extent the Committee deems necessary or appropriate.

The Committee may request any officer or employee of the Company or the Company's outside counsel or independent auditor to attend a meeting of the Committee or to meet with any member of, or advisors to, the Committee. The Committee shall meet with management, the internal auditors (or other personnel responsible for the internal audit function), if any, and the independent auditor in separate executive sessions as often as the Committee determines.

The Committee shall make regular reports to the Board. In addition, the Committee annually shall review its own performance.

The Committee shall review and reassess the adequacy of this Charter annually and recommend any proposed change to the Board for its approval. This Charter is in all respects subject and subordinate to the Company's certificate of incorporation and by-laws and the applicable provisions of the Delaware General Corporation Law.

In addition to the foregoing, the Committee, to the extent it deems necessary or appropriate, shall:

A. Financial Statement and Disclosure Matters

1. Review and discuss with management and the independent auditor the Company's annual audited financial statements, including the disclosures made under "Management's Discussion and Analysis of Financial Condition and Results of Operations," prior to the filing of its Annual Report on Form 10-K, and determine whether to recommend to the Board that the audited financial statements should be included in the Annual Report on Form 10-K.
2. Review and discuss with management and the independent auditor the Company's quarterly financial statements prior to the filing of its Form 10-Q, including the results of the independent auditor's review of the quarterly financial statements.
3. Discuss with management and the independent auditor, and resolve any disagreements between management and the independent auditor with respect to, significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements.
4. Receive, review and discuss with management and the independent auditor any report of the independent auditor regarding (a) all critical accounting policies and practices to be used by the independent auditor, (b) alternative treatments of financial information within generally accepted accounting principles ("GAAP") that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditor, or (c) any other material written communications between the independent auditor and management, including any management letter or schedule of unadjusted differences.
5. Review and discuss with management and the independent auditor (a) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Company's selection of application of accounting principles, and major issues as to the adequacy of the Company's internal controls and any special audit steps adopted in light of material control deficiencies, (b) analyses prepared by management and/or the independent auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the Company's financial statements, including analyses of the effect of alternative GAAP methods on the financial statements, (c) the types of information to be disclosed and the types of presentation to be made relating to earning press releases as well as other financial information and earnings guidance provided to analysts and rating agencies, and

- (d) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the Company's financial statements.
6. Discuss with management the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures, including the guidelines and policies to govern the process by which risk assessment and risk management are undertaken.
  7. Review legal and regulatory matters that may have a material impact on the Company's financial statements, and related compliance policies and programs. Discuss with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports which raise material issues regarding the Company's financial statements or accounting policies. Discuss with the Company's general counsel any legal matters that may have a material impact on the Company's financial statements. Assist the Board in monitoring the compliance by the Company with other legal and regulatory requirements.
  8. Discuss with the independent auditor the matters required to be discussed by Statement on Auditing Standards No. 61 relating to the conduct of the audit. In particular, discuss:
    - (a) the adoption of, or changes to, the Company's significant auditing and accounting principles and practices as suggest by the independent auditor, internal auditors, if any, or management; and
    - (b) any audit problems or difficulties encountered in the course of the audit work, including any restrictions on the scope of activities or on access to requested information.
- B. Oversight of the Company's Relationship with the Outside Auditor
9. Receive and review a report from the Company's outside independent auditor at least annually regarding (a) the firm's internal quality-control procedures; (b) any material issues raised by the most recent quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities within the preceding five years, respecting one or more independent audits carried out by the firm; (c) all relationships between the auditor and its related entities and the Company and its related entities; and (d) any steps take to deal with any such issues. The Committee shall require the auditor to confirm that the report in all respects satisfies the requirements of Independence Standards Board Standard No. 1. The Committee shall actively engage in a dialogue with the auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the auditor, and evaluate the qualifications, performance and independence of the auditor, including considering whether the auditor's quality controls are adequate and the provision of any non-audit services is compatible with maintaining the auditor's independence, and taking into account the opinions of management and the internal auditor, if any. The Committee shall present its conclusions to the Board and shall take, or recommend that the Board take, appropriate action to oversee the independence of the auditor.
  10. Establish policies for the Company's hiring of employees or former employees of the independent auditor who were engaged on the Company's account.
  11. Obtain assurance from the independent auditor that each audit of the Company's financial statements has complied with the requirements of Section 10A of the Exchange Act.

C. Oversight of the Company's Internal Audit Function

12. If the Company determines to maintain an internal audit function, review the appointment and replacement of the senior internal auditing executive or selection and retention of the person or entity to which the internal auditing function is out-sourced.
13. If the Company determines to maintain an internal audit function, review the significant reports to management prepared by the internal auditing department and management's responses thereto.
14. If the Company determines to maintain an internal audit function, discuss with the independent auditor the Company's internal audit department responsibilities, budget and staffing and any recommended changes in the planned scope of the internal audit.

D. Other Responsibilities

15. Review the annual report of management on the Company's internal control over financial reporting, and the attestation report from the Company's independent auditor with respect thereto, and recommend to the Board whether such reports should be included in the Company's Annual Report on Form 10-K.
16. Review and discuss with the CEO and CFO the procedures undertaken in connection with the CEO and CFO certifications for Form 10-Ks and Form 10-Qs, including their evaluation of the Company's disclosure controls and procedures and internal controls.
17. Establish and review periodically procedures for (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters and (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters. The procedures established pursuant to this paragraph should also be made available for use by persons making reports under the Company's Code of Conduct or Whistleblower Policy.
18. Approve the Company's transactions with directors, executive officers, major stockholders and firms that employ directors, as well as any other related party transactions (as defined in Item 404 of SEC Regulation S-K), that are identified by the Company in a periodic review of such transactions.

In addition to the activities described above, the Committee will perform such other functions as are necessary or appropriate in its opinion or in the opinion of the Board under applicable law, the Company's Certificate of Incorporation and by-laws, and the resolutions and other directives of the Board, including, without limitation, the Company's Code of Ethics for the Chief Executive Officer and Senior Financial Officers, Code of Conduct and Whistleblower Policy. This Charter may be amended from time to time by the Board.

V. **Limitation of Audit Committee Role**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate, fairly present the information shown or are in accordance with GAAP and applicable rules and regulations. These are the responsibilities of management and the independent auditor. Nor is it the duty of the Committee to conduct investigations or to assure

compliance with any law, regulation or NASDAQ rule, or the Company's Corporate Governance Guidelines, Code of Business Conduct and Ethics or Whistleblower Policy.