

## GSC Terms of Reference – Highlights

Last updated: 3-Oct, 2005

### Decisions:

- All decisions of the GSC shall be made by a vote of a majority of the members of the GSC (GSC Members) present and exercising a vote at any meeting of the GSC duly held pursuant to these Terms of Reference (an Ordinary Majority) save where these Terms of Reference expressly require that a decision be made by a majority of two-thirds of all the GSC Members (a Special Majority).

### Composition

- two Co-Chairs of each committee specified (the Specified Committees)
- such other persons (not exceeding one-third of the total membership of the GSC) as shall be co-opted by a Special Majority of the GSC...
- Provided that the maximum number of GSC Members shall be 25.

### Subscriber Categories:

- “Buy Side” Institutions; “Sell Side” Broker/Dealers; “Vendors”; “ECNs/Exchanges”; and Other
- No Subscriber Category may exercise more than thirty per cent (30%) of the votes in relation to the approval or rejection of any Subscribers’ Resolution

### Subscriber committee participation

- Each subscriber to FPL shall, on paying his first subscription after these Terms of Reference are adopted or prior to 1<sup>st</sup> January 2006 (whichever is the earlier) (the Relevant Date) declare in writing to the Secretary of the GSC to which Specified Committee or Specified Committees he wishes to nominate members...
- if a person becomes a subscriber after the Relevant Date, within thirty (30) days after his first subscription payment has fallen due he shall declare in writing to the Company Secretary to which Specified Committee he wishes to nominate members...
- a subscriber may nominate members to any additional Specified Committee by giving written notification to the Secretary of the GSC...
- a subscriber may by declaration in writing to the Secretary of the GSC remove any person nominated or deemed to be nominated by him...

### “Specified Committee” Co-chairs

- Each Co-Chair of each Specified Committee shall serve a term of two (2) years and shall retire by rotation so that each Specified Committee shall elect one Co-Chair annually and each Co-Chair of each Specified Committee shall be elected in a separate election for that position by a majority of the Voting Members of that Specified Committee who validly vote in such an election.
- Exception: Global Education and Marketing Committee (the “GEMC”):
  - the members of the GEMC shall be the Co-Chairs of any regional or sub-committees established by the GEMC (“Sub-Committees”)...
  - the Co-Chairs of the GEMC shall be elected by a majority of the members of the GEMC who validly vote in such an election and each member shall have one (1) vote in any such election

### “Federal Committees”

- The GSC may designate any other Specified Committee as being composed of the representatives of regional committees or of sub-committees (a “Federal Committee”) in which case the method of selection for the Co-Chairs of that committee, their terms of office and the criteria of membership of that committee shall be determined in writing by the GSC as soon as is practicable after the committee has been designated as a Federal Committee.

### Ex officio GSC Member:

- The executive director of FPL from time to time (if any) or such other person (if any) as may from time to time be designated in writing by the Board of Directors of FPL (the “Executive Director”) shall be an ex officio GSC Member and shall be entitled to receive notice of all meetings of the GSC and to attend and to speak at such meetings but he shall not be entitled to vote at any meeting of the GSC

### Term of GSC Members:

- All GSC Members (except the Executive Director or such other person (if any) who may be designated an ex officio member of the GSC pursuant to paragraph 2.6) shall serve for a term of two (2) years and the Co-

Chairs of each Specified Committee shall retire by rotation annually PROVIDED THAT each Co-Chair of each Specified Committee who holds office at the date of adoption of these Terms of Reference shall continue to hold that office until his present term of office expires

Eligibility:

- All GSC Members must declare in writing to the Co-Chairs of the GSC within thirty (30) days of their appointment that they are serving on the GSC with the support and consent of their entity subscribing to FPL.

Vacancies:

- If any GSC Member retires or otherwise ceases to be a member of the GSC before expiry of that GSC Member's term of office, then the GSC may by a Special Majority appoint a person to fill that vacancy for the remainder of the term of office of the person who has so retired or otherwise ceased to be a member of the GSC.

GSC Co-Chairs:

- The GSC Members shall elect from among their number two (2) Co-Chairs. Each Co-Chair of the GSC shall serve a term of two (2) years and shall retire by rotation annually PROVIDED THAT of the two (2) Co-Chairs of the GSC who are incumbent...
- The GSC may remove a person as a Co-Chair of the GSC at any time by an Ordinary Majority and may appoint a person to serve for the remainder of the term of office...
- The Co-Chairs of the GSC may not be resident in the same region and for these purposes the relevant regions shall be: the Americas; Asia-Pacific; Europe; and Japan UNLESS the Co-Chairs are employed by or act as a consultant to different...Subscriber Category...
- The Co-Chairs of the GSC shall endeavour at all times to act independently of the subscriber (if any) of which they are an employee or to which they serve as a consultant and they will also act independently of any other committee or organisation (within or outside of FPL) of which they may be a member.

GSC Co-Chair Authority and Required Directorship:

- The Co-Chairs of the GSC may (acting by mutual agreement) appoint and may dismiss the Executive Director and any other persons (which shall include corporate persons but also any employee of FPL) who provide services in relation to the protocol except, for the avoidance of doubt, the auditors of FPL, the Trustee from time to time of the FIX Protocol Trust, any member of the board of directors of FPL, FIX Directors Limited ("FDL") or FIX Protocol Holdings (Jersey) Limited, or the Enforcer from time to time of the FIX Protocol Trust.
- The Executive Director and any other persons appointed by the Co-Chairs of the GSC pursuant to clause 3.6 shall report to the Co-Chairs of the GSC.
- The Enforcer shall procure that the Co-Chairs of the GSC shall be appointed as members of the Board of Directors of FDL for the period during which the Co-Chairs of the GSC hold office as Co-Chairs of the GSC.

Secretary of the GSC

- The Company Secretary or his/her nominee or the ex officio GSC Member appointed pursuant to paragraph 2.6 shall act as the secretary of the GSC

Meetings:

- Annual General Meeting: A meeting of the GSC Members entitled to vote for the election of the Co-Chairs of the GSC, and for the transaction of such other business as may properly come before the meeting shall be held annually at such time and place as may be determined by the GSC from time to time
  - 20 day prior notice
- Special Meetings: Special meetings may be called at any time by either of the Co-Chairs of the GSC, or by the Secretary of the GSC when so requested by the written request of five or more GSC Members or by the Board of Directors of FPL. Special meetings of GSC Members entitled to vote shall be held at such time and place as may from time to time be fixed by the person or persons calling the meeting
  - 5 day prior notice
  - (shall state in general terms the matters to be considered at the meeting and shall indicate that it is being issued by or at the direction of the person or persons calling the meeting)
- Any meeting of the GSC (save for the annual general meeting) may be convened at shorter notice by both the Co-Chairs of the GSC (acting by mutual agreement) with the consent of more than one half (1/2) of the

members of the GSC. No notice need be given of any adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken

- Quorum: A meeting shall not be organised for business unless a quorum is present. The presence in person or by proxy of not less than one-half (1/2) of the GSC Members entitled to vote shall constitute a quorum.
- Voting: Each GSC Member entitled to vote shall be entitled to one vote.
- The Secretary of the GSC shall minute the proceedings and resolutions of all meetings of the GSC, including recording the names of those present and in attendance

Written Resolutions and Electronic Communication:

- Written Resolutions: A resolution in writing signed by the requisite majority of GSC Members entitled to receive notice of a meeting of GSC Members shall be as valid and effectual as if it had been passed at a meeting of GSC Members duly convened
- Electronic and Facsimile Communication: For the purposes of these Terms of Reference, valid notice to or by any member of the GSC shall be deemed to have been given if it has been given by electronic mail to the electronic mail address supplied

GSC Duties. The GSC shall:

- be constituted as a standing committee of the Board of Directors of FPL;
- be responsible for overseeing the operation, maintenance and development of the FIX Protocol;
- be responsible for regulating access to, and the use of, the FIX Protocol;
- be responsible for recommending policy and strategy to the Board of Directors of FPL;
- comply with the memorandum and articles of association of FPL, and may otherwise regulate its proceedings as the GSC thinks fit; and
- be responsible for carrying out such other responsibilities and functions as the Board of Directors of FPL may from time to time direct.
- Appointment of Enforcer: GSC shall recommend to the Board of Directors of FPL a person to be appointed as the Enforcer by a Special Majority

Reporting responsibilities:

- The GSC or the Co-Chairs of the GSC shall meet formally with the Board of Directors of FPL at least once a year.
- In the light of its other duties, the GSC shall make whatever recommendations to the Board of Directors of FPL it deems appropriate.

Authority. GSC is authorised by the Board of Directors of FPL:

- to seek any information it reasonably requires from any FPL employee in order to perform its duties;
- to obtain, at FPL's expense, outside legal, accounting or other professional advice on any matters within its terms of reference;
- on reasonable prior notice to call any member of staff to be questioned at a meeting of the GSC as and when required.
- No GSC Member shall publicly imply or infer that he is speaking or acting on behalf of the GSC, save with the express written permission of the GSC.

Automatic Resignation:

- he or she becomes bankrupt or makes any arrangement or composition of his creditors generally
- he or she is, or may be, suffering from mental disorder and either...
- he/she resigns his/her appointment by notice to the Secretary of the GSC
- he/she shall, for more than six consecutive months, have been absent without leave from meetings of the GSC held during that period and the GSC Members resolve that his/her appointment be vacated

Change in employment for a GSC Member:

- If a Co-Chair of the GSC or of a Specified Committee is an employee of, or a consultant to, a subscriber to FPL and he ceases to be an employee of or a consultant to such subscriber, then he shall notify the Secretary of the GSC in writing within seven (7) days and the GSC shall determine whether he should continue in office and, if the GSC determines that he should not remain in office, he shall be deemed to have retired from office forthwith. In the event that a Co-Chair of the GSC or of a Specified Committee fails to give the notice required by this paragraph within seven (7) days of his ceasing to be an employee of, or a consultant to, such Subscriber then he shall be deemed to have resigned as a Co-Chair of the GSC or of such Specified Committee.

Amendment to GSC Terms of Reference:

- may be amended by the Board of Directors of FPL provided that the Board of Directors, subject to their fiduciary duties, shall only act in this respect upon the recommendation of a Special Majority of the GSC Members from time to time or with the prior approval of a Subscriber's Resolution under Paragraph 14
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Reserved Matters (#14):

The following shall subject to the fiduciary duties of the Board of Directors of FPL, be Reserved Matters:

- the removal of the Enforcer except with the prior consent of a Special Majority of the GSC;
- the removal of any GSC Member or of a person as a Co-Chair of GSC or as a Co-Chair of a Specified Committee except by reason of the expiry of his term of office or with the prior consent of a Special Majority of the GSC or under paragraph 11;
- the acquisition or disposal by FPL of any undertaking or business or of a material asset or assets or of any shares in any company (and, without limitation, for this purpose an asset is deemed to be material if the market value of the asset exceeds £100,000 and any disposal of the whole or any material part of the FIX Protocol shall be deemed material);
- any transfer or sale of any interest in the intellectual property of any nature owned by FPL;
- the entry by FPL into any merger or similar arrangement with any other person;
- any amendment to the memorandum or articles of association of FPL or any change to the rights attaching to any class of shares or of membership in FPL which are not set out in the memorandum or articles of association of FPL;
- any admission or resignation of a member or any approval or registration of any transfer of any share or membership or of any legal or beneficial interest in any share in the capital of FPL or of any membership in FPL, where "transfer" shall be given the widest possible meaning and shall include, without limitation, sale, assignment, or other disposal, the creation of any trust or the creation or permitting to subsist of any security interest whatsoever;
- any resolution or action by the board of directors to wind up FPL or the filing of a petition for a winding up of FPL or the making of any arrangement with creditors generally or any application for an administration order or for the appointment of a receiver or administrator;
- the repayment of capital or assets to members of FPL;
- making any investment, or the liquidation or any investment made by FPL, in any other person or business or save in the ordinary course of business the acquisition or disposal of, or the grant of any option or right of pre-emption in respect of, any asset of FPL;
- save in the ordinary course of business, the creation or redemption of any mortgage, charge, debenture, pledge, lien or other encumbrance or security interest over any of the assets, property, undertaking or uncalled capital of FPL; or
- the effecting of any of the above matters by any affiliate of FPL.
- The Board of Directors may not undertake or authorise any Reserved Matter except with prior approval or authorisation by a Subscribers' Resolution and without having given at least thirty (30) days prior written notice to the Enforcer.
- A Subscribers' Resolution must be approved by more than half the subscribers to the FIX Protocol (the "Subscribers") at a Special Meeting of the subscribers. A Special Meeting of the Subscribers may be called by the Board of Directors of FPL by giving to each Subscriber of not less than 30 days' written notice specifying the time and place at which such meeting is to be held, and containing the Subscriber's Resolution to be considered at the meeting. At such a Special Meeting each Subscriber shall be entitled to attend and speak, and each Subscriber shall be entitled to exercise one vote, provided that the counting of such votes shall be on the same basis as is specified in Clause 15 so that members of a Subscriber Category shall exercise a fractional vote (being less than one full vote) if they would be entitled to exercise a fractional vote only under Clause 15.
- Save as expressly provided herein the regulations regarding the convening of a Special Meeting and the conduct of such meeting (including, without limitation as to appointment of proxies) shall be identical to those set out in the Company's Articles of Association with all references to an Extraordinary General Meeting being construed instead as references to a Special Meeting, and all references to members being instead construed as references to a Subscriber.