INVESTMENT TECHNOLOGY GROUP INC
Form DEF 14A
April 24, 2012

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934 (Amendment No.)

Filed by the Registrant ý

Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement

o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**

ý Definitive Proxy Statement

o Definitive Additional Materials

o Soliciting Material Pursuant to §240.14a-12

Investment Technology Group, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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Investment Technology Group, Inc.

380 Madison Avenue,
New York, New York 10017

Notice of Annual Meeting of Stockholders
To Be Held June 12, 2012

To the Stockholders of Investment Technology Group, Inc.:

Investment Technology Group, Inc., a Delaware corporation ("ITG," "we" or the "company"), will hold its annual meeting of stockholders at ITG's principal executive offices at 380 Madison Avenue, 4th Floor, New York, New York 10017 and via the Internet at *www.virtualshareholdermeeting.com/ITG*, on Tuesday, June 12, 2012 at 1:00 p.m. (local time), and any adjournments or postponements thereof, for the following purposes:

(1) To elect eight (8) directors to our board of directors to serve until the next annual meeting or until successors have been duly elected and qualified.

(2) To ratify the appointment of KPMG LLP as our independent registered public accounting firm for the 2012 fiscal year.

(3) To approve the company's executive compensation.

(4) To transact such other business as may properly come before the annual meeting or any one or more adjournments thereof.

This proxy statement more fully describes these proposals.

Our board of directors has fixed the close of business on April 16, 2012 as the record date for determining the stockholders entitled to notice of, and to vote at, the annual meeting. Only holders of record of ITG common stock at the close of business on April 16, 2012 are entitled to notice of, and to vote at, the annual meeting.

We are furnishing proxy materials to you over the Internet. We believe that this will allow us to lower the cost and environmental impact of distributing materials in connection with our annual meeting. As a result, we expect to send a Notice Regarding the Availability of Proxy Materials on or about April 30, 2012 to stockholders of record at the close of business on April 16, 2012. We also provided access to our proxy materials over the Internet at *www.proxyvote.com* beginning on that date. If you received a Notice Regarding the Availability of Proxy Materials by mail but would like to receive a printed copy of our proxy materials, you should follow the instructions for requesting such materials included in the Notice or on page 7 of this proxy statement.

Our board of directors unanimously recommends that you vote FOR the proposed slate of directors, FOR the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the 2012 fiscal year and FOR the approval, on an advisory basis, of the executive compensation of our named executive officers.

You are cordially invited to attend the annual meeting in person or via the Internet. Whether or not you expect to attend the annual meeting, we urge you to vote your shares by following the instructions on pg. 4 of this proxy statement.

By Order of the Board of Directors,

P. Mats Goebels
Corporate Secretary

New York, New York
April 24, 2012

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VOTING INSTRUCTIONS AND INFORMATION

Who is entitled to vote at the Annual Meeting?

Holders of our common stock as of the close of business on April 16, 2012 (the "Record Date") may vote at the annual meeting. On the Record Date, 38,806,034 shares of our common stock were outstanding and entitled to vote at the annual meeting.

Stockholders at the close of business on the Record Date may examine a list of all stockholders as of the Record Date for any purpose germane to the annual meeting for ten days preceding, or at, the annual meeting, at our headquarters in New York, New York.

How many votes do I have?

You are entitled to one vote for each share of common stock you own for each matter to be voted on at the annual meeting.

What matters will be voted on at the Annual Meeting?

There are three proposals scheduled to be voted on at the meeting:

- Election of eight (8) directors to serve until the next annual meeting or until their successors have been duly elected and qualified.

- Ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2012. A representative of KPMG LLP is expected to be in attendance at the annual meeting with the opportunity to make a statement and respond to questions.

- Advisory (non-binding) vote to approve named executive officer compensation (commonly referred to as the "say-on-pay" proposal).

How does the Board of Directors recommend I vote?

Our board of directors recommends that you vote:

- **FOR** each of the nominees to the board of directors.

- **FOR** ratification of the selection of KPMG LLP as the company's independent registered public accounting firm for our fiscal year ending December 31, 2012.

- **FOR** the approval of the compensation of our named executive officers.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Stockholders of Record. You are a stockholder of record if, at the close of business on the Record Date, your shares were registered directly in your name with the company's transfer agent, Computershare Trust Company. This notice and proxy statement and any accompanying documents have been provided directly to you by the company.

Beneficial Owner. You are a beneficial owner if, at the close of business on the Record Date, your shares were held by a brokerage firm, bank or other nominee and not in your name. Being a beneficial owner means that, like most of our stockholders, your shares are held in "street name" and this notice and proxy statement and any accompanying documents have been forwarded to you by your broker, bank or other nominee. As the beneficial owner, you have the right to direct your broker or nominee how to vote your shares by following the voting

instructions your broker or other nominee provides. If you do not provide your broker or nominee with instructions on how to vote your shares, your broker or nominee will be able to vote your shares only with respect to the proposal related to the ratification

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of the appointment of KPMG as our independent registered public accounting firm. Please see "*What if I do not specify how my shares are to be voted*?" below for additional information.

How do I vote and what are the voting deadlines?

Stockholders of Record. If you are a stockholder of record, you may vote in the following ways:

By Internet. You may submit your proxy by going to *www.proxyvote.com* and by following the instructions on how to complete an electronic proxy card. If you vote by Internet, you do not need to return a proxy card by mail. You will need the 12-digit Control Number included on your Notice Regarding the Availability of Proxy Materials or your proxy card in order to vote by Internet. Internet voting via *www.proxyvote.com* is available 24 hours a day until 11:59 p.m., New York time, on June 11, 2012. Note that Internet voting via *www.virtualshareholdermeeting.com/ITG* is only available during the annual meeting. Unless you are planning to vote during the annual meeting via *www.virtualshareholdermeeting.com/ITG*, to be valid, your vote by Internet must be received by 11:59 p.m., New York time, on June 11, 2012.

By Telephone. You may submit your proxy by dialing 1-800-690-6903 and by following the recorded instructions. If you vote by telephone, you do not need to return a proxy card by mail. You will need the 12-digit Control Number included on your Notice Regarding the Availability of Proxy Materials or your proxy card in order to vote by telephone. Telephone voting is available 24 hours a day. To be valid, your vote by telephone must be received by 11:59 p.m., New York time, on June 11, 2012.

By Mail. If you have received a printed copy of the proxy materials from us by mail, you may vote by completing, signing and dating the enclosed proxy card where indicated and by mailing or otherwise returning the proxy card in the envelope provided to you. To be valid, your vote by mail must be received by 11:59 p.m., New York time, on June 11, 2012.

At the Annual Meeting. You can vote your shares in person at the annual meeting. Stockholders attending the annual meeting via the Internet should follow the instructions at *www.virtualshareholdermeeting.com/ITG* in order to vote during the meeting.

Beneficial Owners. If you are a beneficial owner, you may vote by submitting voting instructions to your broker or other nominee holding your shares. You should follow the instructions in the Notice Regarding the Availability of Proxy Materials or voting instructions provided by your broker or nominee in order to instruct your broker or nominee on how to vote your shares. The availability of telephone and Internet voting will depend on the voting process of the broker or nominee. Shares held beneficially may be voted in person at the annual meeting only if you obtain a legal proxy from the broker or nominee giving you the right to vote the shares.

Proxies related to shares held under our Employee Stock Ownership Plan must be received no later than June 6, 2012. Attendance at the annual meeting will not enable you to vote your shares held under our Employee Stock Ownership Plan.

Can I revoke or change my vote after I submit my proxy?

Stockholders of Record. Whether you have voted by Internet, telephone or mail, if you are a stockholder of record, you may revoke your proxy and change your vote by:

Voting again by Internet or telephone at a later time before the closing of those voting facilities at 11:59 p.m., New York Time, on June 11, 2012;

Submitting a properly signed proxy card with a later date that is received no later than June 11, 2012;

Attending the annual meeting and voting in person or via *www.virtualshareholdermeeting.com/ITG*; or

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Sending a written statement to that effect to Broadridge Financial Solutions, Inc., 51 Mercedes Way, Edgewood, New York 11717, or Investment Technology Group, Inc., 380 Madison Avenue, 4th Floor, New York, New York 10017, Attention: Corporate Secretary, provided that any such statement is received no later than June 11, 2012.

Beneficial Owners. If you are a beneficial owner, you may submit new voting instructions by contacting your broker or other nominee. You may also change your vote or revoke your proxy at the annual meeting either in person or online, provided that you obtain a proxy, executed in your favor, from the broker or other nominee giving you the right to vote the shares.

In the case of proxies related to shares held under our Employee Stock Ownership Plan, such revocation or later-dated proxy must be received no later than June 6, 2012. Attendance at the annual meeting will not enable you to revoke a previously-delivered proxy with respect to shares held under our Employee Stock Ownership Plan.

Attending the annual meeting will not automatically revoke a proxy that was submitted through the Internet or by telephone or mail.

How are votes counted?

If you properly submit your proxy by Internet, telephone or mail, and you do not subsequently revoke your proxy, your shares will be voted in accordance with your instructions.

What will happen if I do not vote my shares?

Stockholders of Record. If you are the stockholder of record and you do not vote via the Internet, by telephone, by proxy card, or in person or via the Internet at the annual meeting, your shares will not be voted at the annual meeting.

Beneficial Owners. If you are the beneficial owner of your shares, and you do not instruct your broker or nominee how to vote your shares, your broker or nominee may exercise its discretion to vote on some proposals at the annual meeting, but not all. Under the rules of the New York Stock Exchange ("NYSE"), your broker or nominee does not have discretion to vote your shares on non-routine matters such as the proposals related to the election of directors and approval of executive compensation. However, your broker or nominee does have discretion to vote your shares on routine matters such as the ratification of the appointment of our independent registered public accounting firm and any other routine matters properly presented for a vote at the annual meeting.

What if I do not specify how my shares are to be voted?

Stockholders of Record. If you are a stockholder of record and you submit a proxy, but you do not provide voting instructions on the proxy, your shares will be voted as follows: **FOR** the election of ITG's director nominees; **FOR** the ratification of the appointment of KPMG LLP as the company's independent registered public accounting firm for our fiscal year ending December 31, 2012; and **FOR** the approval of the company's executive compensation; and otherwise in accordance with the judgment of the persons voting the proxy on any other matter properly brought before the annual meeting.

Beneficial Owners. If you are a beneficial owner and you do not provide the broker or other nominee that holds your shares with voting instructions, the broker or other nominee will determine if it has the discretionary authority to vote on your behalf. Under the rules of the NYSE, your broker or nominee does not have discretion to vote your shares on non-routine matters such as the proposals related to the election of directors and approval of executive compensation. However, your broker or nominee does have discretion to vote your shares on routine matters such as the ratification of the appointment of our independent registered public accounting firm and any other routine matters properly presented for a vote at the annual meeting.

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How many votes are required to approve each proposal?

The election of directors will be determined by a plurality of the votes cast. For each of the other proposals, the affirmative vote of the holders of a majority of the shares represented in person or by proxy at the annual meeting and entitled to vote on the matter will be required for approval.

What is the effect of withheld votes, abstentions and broker non-votes?

Abstentions and Withheld Votes. With respect to the election of directors, you may vote FOR, WITHHOLD, or FOR ALL EXCEPT. With respect to all other proposals, you may vote FOR, AGAINST or ABSTAIN. If you WITHHOLD from voting on the election of directors, it will have no effect on the election of directors. If you ABSTAIN from voting on proposals related to the approval of executive compensation or the ratification of the appointment of our independent registered public accounting firm, the abstention will have the same effect as an AGAINST vote.

Broker Non-Votes. Broker non-votes occur when shares held by a broker are not voted with respect to a proposal because (1) the broker has not received voting instructions from the stockholder who beneficially owns the shares and (2) the broker lacks the authority to vote the shares at its discretion. The proposals related to the election of directors and executive compensation are considered non-routine matters and a broker will lack the authority to vote uninstructed shares at its discretion on these proposals. The proposal related to the ratification of the appointment of KPMG LLP is considered a routine matter and a broker will be permitted to exercise its discretion. Accordingly, if you are a beneficial owner and you do not submit voting instructions to your broker, your shares will not have any effect on the outcome of the election of the director nominees at the annual meeting or the advisory vote pertaining to the compensation of the company's named executive officers.

How many votes are required to transact business at the Annual Meeting?

A majority of all outstanding shares entitled to vote at the annual meeting constitutes a quorum (*i.e.*, the minimum number of shares that must be present or represented by proxy at the annual meeting in order to transact business). Abstentions, withheld votes and broker non-votes are counted as present and entitled to vote for purposes of determining a quorum. A properly completed proxy indicating "FOR ALL EXCEPT" with respect to the election of one or more directors will not be voted with respect to the director or directors indicated, although it will be counted for purposes of determining whether there is a quorum.

Who will count the votes?

Representatives of Broadridge Financial Solutions, Inc. will tabulate the votes and act as inspectors of election.

Who pays for the expenses of this proxy solicitation?

We bear the cost of soliciting proxies for the annual meeting. Our directors, officers and employees may solicit proxies on behalf of the board through regular and electronic mail, telephone, fax and personal contact. Alliance Advisors has been retained to assist in soliciting proxies for a fee of $12,000, plus distribution costs and other expenses. Directors, officers and employees of the company will receive no additional compensation for soliciting proxies but may be reimbursed for reasonable out-of-pocket expenses in connection with such solicitation. We will reimburse certain brokerage firms, banks, custodians and other fiduciaries for the reasonable mailing and other expenses they incur in forwarding proxy materials to the beneficial owners of our stock that those brokerage firms, banks, custodians and fiduciaries hold of record.

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Could other matters be decided at the Annual Meeting?

We do not expect any other items of business to be brought before the annual meeting. Nonetheless, in case there is an unforeseen need, your proxy gives discretionary authority to the persons named on the proxy card with respect to any other matters that might be brought before the meeting. Those persons intend to vote the proxy in accordance with their best judgment.

Annual Report to Stockholders, Proxy Statement, Corporate Governance Guidelines, Code of Business Conduct and Ethics and Committee Charters

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 and this proxy statement are available through our website at *http://investor.itg.com*, under *SEC Filings* and at *www.proxyvote.com*. Our Corporate Governance Guidelines and our Code of Business Conduct and Ethics, which govern our directors, officers and employees, and the charters for each of our audit committee, compensation committee and nominating and corporate governance committee are available on our website at *www.itg.com/corporate-governance/.* You may also obtain a copy of such documents by writing to: Investment Technology Group, Inc., 380 Madison Avenue, 4th Floor, New York, New York 10017, Attn: Investor Relations.

PROPOSAL ON
ELECTION OF DIRECTORS

The number of directors to be elected at the annual meeting has been fixed at eight by our board of directors. Such directors will be elected to serve until the next annual meeting of stockholders or until their successors have been duly elected and qualified.

Each nominee listed below has been nominated for election by the nominating and corporate governance committee of our board of directors and has consented to serve as a director if elected. In the event that any nominee shall be unable to serve as a director (which is not now anticipated), proxies will be voted for substitute nominees recommended by the board of directors or the board of directors may elect to reduce the number of directors. All of the nominees for election as a director are presently members of the board of directors.

The board of directors has determined that Messrs. Burdett, Cheng, Dodds, Jones, O'Hara, Wood and Ms. O'Hara are "independent" within the meaning of the NYSE listing standards. In determining Mr. O'Hara's independence, the board considered the fact that Mr. O'Hara's cousin, Terry Gardner, joined the company as the Chief Operating Officer of ITG Investment Research in 2011. Given that Mr. O'Hara and Mr. Gardner are not immediate family members within the meaning of the NYSE Listed Company Manual, and because Mr. Gardner joined the company as a result of an independent hiring process and arms' length negotiations, our board determined that this relationship was not material for purposes of determining that Mr. O'Hara is an independent director. In addition, Ms. O'Hara and Mr. O'Hara are not related. Our board of directors' standards for determining director independence are available on our website at *www.itg.com/corporate-governance/.*

Nominees to Board of Directors

The following information is submitted concerning the nominees for election as directors. When assessing the qualifications of a particular person to serve as a director, our nominating and corporate governance committee and our board of directors consider an individual candidate's experience as well as the collective experience of our board members taken as a whole. The members of our board have a variety of experiences and attributes that qualify them to serve on our board, including accounting, finance, technology and legal experience and extensive senior management experience in the financial

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services industry. Certain members also possess valuable historical knowledge of the company and our specific industry by virtue of the length of their service on our board.

Name	Age	Position
J. William Burdett	72	Director
Minder Cheng	48	Director
Christopher V. Dodds	52	Director
Robert C. Gasser	47	Director, President and Chief Executive Officer
Timothy L. Jones	56	Director
Kevin J.P. O'Hara	50	Director
Maureen O'Hara	58	Chair
Steven S. Wood	54	Director

J. William Burdett has been a director since July 2001 and was a non-executive director of ITG Australia Ltd., a subsidiary of ITG from December 2006 until April 2007. In 2006, Mr. Burdett joined the board of IRESS Market Technology Ltd., a leading provider of market data, financial planning and order routing services to the equities markets in Australia, New Zealand and Canada. From 1988 until March 2001, Mr. Burdett was Chairman and Chief Executive Officer of the Burdett Buckeridge Young Group ("BBY"), which is comprised of the two Australian broker/dealer companies: BBY and Australian Clearing Services. From 1970 until 1987, Mr. Burdett was a partner and director of A.C. Goode & Co., one of the largest stock-brokering/investment banking companies in Australia. Mr. Burdett was a non-executive director of BBY and ITG Australia Ltd. from November 2000 through November 2002. Mr. Burdett brings to our board a wealth of international management experience and business understanding, together with an extensive knowledge of the brokerage industry.

Minder Cheng has been a director since November 2010. Mr. Cheng also currently serves as a Senior Advisor at Executive Networks, an executive peer electronic network. From December 2009 until July 2010, Mr. Cheng served as Chief Investment Officer for Index Equity and Capital Markets globally at BlackRock Inc. ("BlackRock"). Mr. Cheng joined BlackRock at the time of its 2009 merger with Barclays Global Investors ("BGI"), where he worked in a variety of capacities for the prior 10 years. Most recently, from May 2008 until December 2009, Mr. Cheng served as Chief Investment Officer of BGI's Equity and Capital Markets division worldwide. In addition, from July 2000 to May 2008, he held several other key positions at BGI, including Chief Investment Officer for active equity products and Global Head of Trading. Prior to BGI, Mr. Cheng held research, strategy and proprietary trading roles at Convergence Asset Management in Connecticut, Sumitomo Finance International in London, Salomon Brothers in Tokyo and the NYSE in New York. He holds a PhD, a MS and a MBA from the University of California at Berkeley and a BA from National Taiwan University. Mr. Cheng brings to our board valuable insights on market structure as well as the priorities and challenges facing our major clients and a keen perspective on the Asia Pacific marketplace.

Christopher V. Dodds has been a director since June 2008. Mr. Dodds currently serves as a Senior Advisor at Carlyle Group, a private equity firm. Mr. Dodds also serves on the board of directors at Charles Schwab Bank, Baron Capital and Avalon Advisors. Mr. Dodds served on the board of directors of Cost Plus Inc. from 2006 to 2009. From 1986 to 2007, Mr. Dodds held several positions at The Charles Schwab Corporation ("Schwab"). Most recently, from 1999 to 2007, Mr. Dodds served as Executive Vice President and Chief Financial Officer of Schwab, responsible for managing its financial affairs during periods of growth, retrenchment and profitability. Before being named Chief Financial Officer, Mr. Dodds held several key positions at Schwab including Corporate Controller and Corporate Treasurer. Prior to his experience at Schwab, Mr. Dodds served as a financial analyst for several firms including American Hawaii Cruises, Exxon Corporation and the Gulf Oil Corporation. Mr. Dodds brings to our board the depth and breadth of his exposure to complex financial and accounting matters, and knowledge of the financial services industry.

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Robert C. Gasser has been a director and the President and Chief Executive Officer of the company since October 2006. Mr. Gasser was Chief Executive Officer of NYFIX, Inc. ("NYFIX"), a provider of electronic trading services which was acquired by NYSE Technologies, Inc. in 2009, from November 2005 to September 2006. From 2001 to 2005, Mr. Gasser served as Chief Executive Officer of NYFIX Millennium LLC, a subsidiary of NYFIX, and President of NYFIX Transaction Services Inc. and NYFIX Clearing Corporation. Mr. Gasser was Head of U.S. Equity Trading at JP Morgan from 1999 to 2001. Mr. Gasser brings to our board strong leadership experience in the execution and financial technology business and specific knowledge of the company by virtue of his position as President and Chief Executive Officer.

Timothy L. Jones has been a director since March 2005. From October 2007 until July 2010, Mr. Jones was Chief Executive Officer and director of the Personal Accounts Delivery Authority ("PADA"), a non-departmental public body of the Department for Work and Pensions within the United Kingdom government. Since July 2010, Mr. Jones has been Chief Executive Officer of the National Employment Savings Trust Corporation, also a non-departmental public body of the Department for Work and Pensions within the United Kingdom government and the successor to PADA. Since September 2011, Mr. Jones has served on the board of directors of the Rotman International Centre for Pension Management. From December 2002 to January 2005, Mr. Jones was the Chief Executive Officer of Simpay Limited, a mobile phone payment system company. Mr. Jones co-founded Purseus, a company developing a new architecture for correspondent banking, and was Chief Executive Officer of Purseus from April 2000 to November 2002. Prior to that, for 17 years, Mr. Jones was at National Westminster Bank PLC where he held various positions in the Operations, Information Technology Strategy and Policy, Mondex, Electronic Markets and Retail Banking Services divisions, eventually becoming a Managing Director in 1996 and Chief Executive of the retail banking division in 1999. Mr. Jones brings to our board significant executive experience, a strong background in technology issues and an extensive understanding of the banking industry.

Kevin J. P. O'Hara has been a director since January 2007. Currently, Mr. O'Hara is an Adjunct Professor teaching at Northwestern University Law School. Mr. O'Hara is also a principal of Kevin Seamas Enterprises, LLC, a firm through which Mr. O'Hara makes private equity and real estate investments. Additionally, Mr. O'Hara serves on the Board of Advisors of Quadriserv, Inc., a provider of technology and business model innovation to the securities lending industry. Mr. O'Hara also serves on the board of directors of TruMarx Data Partners, Inc., a provider of technology for over-the-counter energy trading and Fippex Operations LLC, a communications software provider, and is Chairman of the Kevin J.P. O'Hara Family Foundation, a charitable trust. From May 2006 to July 2007, Mr. O'Hara served as the Chief Administrative Officer and Chief Strategy Officer of CBOT Holdings, Inc. Previously, he served as Chief Administrative Officer, General Counsel and Corporate Secretary of Archipelago Holdings, Inc. from 1999 to 2006 and served as Executive Vice President and Co-General Counsel of NYSE Group, Inc. in 2006. Prior to joining Archipelago, Mr. O'Hara worked in Romania and Lithuania from 1995 to 1999 on the development of legal, regulatory and technology infrastructure of emerging capital markets. Prior to his international experience, Mr. O'Hara worked in the Division of Enforcement of the U.S. Securities and Exchange Commission in Washington, D.C., as Senior Counsel from 1994 to 1995 and as Staff Attorney from 1991 to 1993. In 1993, Mr. O'Hara served as Special Assistant United States Attorney at the U.S. Department of Justice. From 1988 to 1991, he practiced corporate and commercial litigation at the Chicago law firm of Ross & Hardies, now McGuire Woods Ross & Hardies. Mr. O'Hara brings to our board his wide-ranging and far-reaching experience in legal, regulatory and corporate governance matters within the financial services industry context.

Maureen O'Hara has been the Chair of our board of directors since May 2007 and a director since January 2003. She was our Lead Director from January 2005 until May 2007. She is the Robert W. Purcell Professor of Finance at the Johnson Graduate School of Management, Cornell University. She holds degrees from the University of Illinois (B.S. Economics) and Northwestern University (M.S.

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Economics and Ph.D. Finance). In December 2006, Ms. O'Hara joined the board of directors of NewStar Financial Inc. She also serves on the board of trustees of TIAA-CREF, having joined the board in 2009. She is a member of the CFTC-SEC "Flash Crash" Committee and a past Chair of FINRA's Economic Advisory Board. Ms. O'Hara joined the faculty at Cornell in 1979. She has had visiting appointments at UCLA, the London Business School, the University of New South Wales, Cambridge University and Hong Kong University of Science and Technology. Ms. O'Hara's research focuses on issues in market microstructure and she is the author of numerous journal articles as well as the book, *Market Microstructure Theory* (Blackwell: 1995). In addition, Ms. O'Hara publishes widely on a broad range of topics in finance, including banking, law and finance and experimental economics. She has served as President of the Western Finance Association, President of the American Finance Association, and President of the Financial Management Association. Ms. O'Hara brings to our board a unique perspective through her extensive knowledge and research on market microstructure, finance and economics, as well as her deep understanding of the role of boards of directors.

Steven S. Wood has been a director since February 2010. Currently, Mr. Wood is the founder and sole director of Global Buy Side Trading Consultants Limited, a consulting company for financial institutions. Mr. Wood serves on the board of Olivetree Securities Ltd. as well as the European Securities Market Authority Consultative Working Group on Secondary Markets. From 2001 until March 2010, Mr. Wood was the Global Head of Trading at Schroders Investment Management, the London-based asset management firm with over $222 billion in assets under management. Prior to joining Schroders in 2002, Mr. Wood spent 28 years at J.P. Morgan in a variety of roles, including head of European and Asian trading in the asset management division. Mr. Wood was also the Chairman of the Investment Managers Association Trading Committee and Chairman of the NYSE / Euronext European Institutional Advisory Committee until 2010. Mr. Wood brings to our board extensive experience in trading matters and a keen perspective on the priorities and challenges facing our major customers.

Our board of directors unanimously recommends that you vote "FOR" the election of each of the nominees listed above to the board of directors.

Executive Officers

The executive officers of our company are appointed by, and serve at the discretion of, our board of directors. Other than Mr. Gasser, for whom information is provided above, the following sets forth information as to the other executive officers of our company, each of whom are also members of the company's executive committee.

Name	Age	Position
Tony Berkman	45	Managing Director and Chief Executive Officer of ITG Investment Research
Robert J. Boardman	44	Managing Director and Chief Executive Officer of Europe
Ian Domowitz	60	Managing Director and Head of Analytics
P. Mats Goebels	45	Managing Director, General Counsel and Corporate Secretary
Peter A. Goldstein	48	Managing Director and Head of Human Resources
David L. Meitz	48	Managing Director and Chief Technology Officer
David J. Stevens	45	Managing Director, Head of U.S. and Latin America Sales & Trading
Nicholas Thadaney	43	Managing Director, Chief Executive Officer of Canada
Steven R. Vigliotti	44	Managing Director and Chief Financial Officer

Tony Berkman is a Managing Director and Chief Executive Officer of ITG Investment Research, Inc., a provider of independent data-driven investment research. He joined our company in October 2010 following ITG's acquisition of Majestic Research Corp., which Mr. Berkman co-founded in 2002, and was appointed as an executive officer of ITG in February 2011. From April 2001 to

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December 2002, Mr. Berkman served as the Chief Risk Officer at Tower Capital, prior to which he spent 13 years working with Martin Zweig as Director of Research for the Zweig-DiMenna companies.

Robert J. Boardman is a Managing Director and Chief Executive Officer of ITG's European business. From 2006 to June 2010, Mr. Boardman served as head of ITG's European algorithmic trading. Prior to joining ITG, Mr. Boardman spent 12 years at Goldman Sachs in various positions including executive director on the electronic transaction services sales team and head of connectivity for the equities division.

Ian Domowitz is a Managing Director and Head of Analytics responsible for managing our analytical and research products. He joined ITG in 2001. Mr. Domowitz was the Mary Jean and Frank P. Smeal Professor of Finance at Pennsylvania State University from 1998 to 2001, and a Professor at Northwestern University from 1982 to 1998.

P. Mats Goebels is a Managing Director, and General Counsel and Corporate Secretary. He joined our company in 1998 and is responsible for all legal and regulatory matters. Mr. Goebels was a corporate attorney at the New York offices of Sullivan & Cromwell from 1995 to 1998, and of Weil, Gotshal & Manges from 1991 to 1995. Mr. Goebels is a managing member of Sunrise Associates LLC.

Peter A. Goldstein is a Managing Director and Head of Human Resources. Prior to joining ITG in September 2007, Mr. Goldstein was the Head of Human Resources for RREEF, the Alternative Investments Division of Deutsche Bank. Mr. Goldstein began his career in 1987 at Laventhol & Horwath, a public accounting firm and subsequently spent nine years in human resources at JPMorgan, both in the United States and abroad.

David L. Meitz is a Managing Director and Chief Technology Officer responsible for Software Development, Technology and Trading Support Services and Information Security/Business Continuity. He joined our company in 2002 from Reuters America, Inc. ("Reuters") where he held the position of Executive Vice President since 1995. Mr. Meitz previously held technology and customer service management positions at Citibank, N.A. and Quotron Systems, Inc., a wholly-owned subsidiary of Reuters.

David J. Stevens is a Managing Director and Head of U.S. and Latin America Sales & Trading. He also oversees sales and trading in the Asia Pacific region. Prior to this current role, he served as Chief Executive Officer of ITG's Asia Pacific business. From 2007 to June 2010, Mr. Stevens served as Chief Executive Officer of ITG Europe. Mr. Stevens joined ITG in 2005 and served as the Director of Sales in Europe until 2007. Prior to joining ITG, Mr. Stevens was a Managing Director at JP Morgan, heading up pan-European sales globally. Mr. Stevens also spent six years at Goldman Sachs during which time he was an Executive Director.

Nicholas Thadaney is a Managing Director and Chief Executive Officer of ITG Canada. Mr. Thadaney joined ITG as Director of Sales in Canada in 2000 and was appointed Chief Executive Officer of ITG Canada in 2005. Prior to joining ITG, Mr. Thadaney was Vice President and Head of Business Development & International Equities at T.D. Securities. He has also held positions at C.T. Securities and First Canada Securities International.

Steven R. Vigliotti is a Managing Director and our Chief Financial Officer. Mr. Vigliotti joined ITG in 2010 from NYFIX (which was acquired by NYSE Technologies, Inc. in 2009), where he served as Chief Financial Officer since January 2006. Prior to joining NYFIX, he was CFO, Treasurer and Chief Accounting Officer of Maxcor Financial Group and was CFO for a number of its Euro Brokers inter-dealer brokerage subsidiaries. Mr. Vigliotti began his career in public accounting and was an Audit Partner in BDO Seidman's financial services group.

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EXECUTIVE AND DIRECTOR COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Overview. Our compensation committee reviews and approves the compensation philosophy, policies and plans for the senior executive team of ITG which includes our "named executive officers" together with the other members of the company's executive committee. For 2011, our "named executive officers" were (i) our chief executive officer, (ii) our chief financial officer, (iii) our three most highly compensated executive officers (other than our chief executive officer and chief financial officer) who were serving as executive officers as of December 31, 2011 and (iv) one of our highly compensated officers who separated from the company in 2011. In this section of the proxy statement, we will describe the material elements of the executive compensation program for these named executive officers. We will also provide an overview of our executive compensation philosophy. In addition, we will explain how and why our compensation committee arrives at specific compensation decisions and policies.

Consideration of 2011 Say-on-Pay Advisory Vote. At our 2011 annual meeting, stockholders expressed support for the compensation of our named executive officers, with approximately 78% of the votes cast for the "say-on-pay" advisory (non-binding) resolution approving our executive compensation. The compensation committee interpreted such vote as an endorsement of the company's compensation philosophy, programs, practices and actions, and will continue to consider the outcome of the company's say-on-pay vote when making future compensation decisions. At the same annual meeting, the company's stockholders also voted on an advisory (non-binding) resolution to determine whether the required periodic advisory stockholder vote on executive compensation should occur every one, two or three years. The compensation committee reviewed the results of the vote, and based, among other things, on the fact that a majority of stockholders supported a one-year frequency for such future stockholder say-on-pay votes, the committee currently intends to submit future "say-on-pay" resolutions for the vote of stockholders on an annual basis.

COMPENSATION PHILOSOPHY

Attracting and retaining exceptional individuals who share our firm's vision, passion and values is essential to the success of our company. By placing equal importance on skill set and mind set, we find and foster effective leaders who in turn seek to improve company performance.

Our executive compensation programs have four key objectives:

- Maximize the long-term return to our stockholders;
- Direct management to implement the company's strategic goals and continuously improve company performance over both the short- and long-term;
- Align executive compensation levels with company and individual performance; and
- Provide a competitive total compensation opportunity to attract and retain effective and motivated executives.

To achieve these objectives, we have implemented an executive compensation program that is based on the following principal components of ongoing compensation:

- Competitive total direct compensation (base salary and annual variable compensation) to attract and retain key executives, aligned to experience, responsibilities and performance;
- Compensation directly tied to the company's financial performance, achievement of business objectives and individual performance measured against established criteria aligned with stockholder interests;

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- A variable stock compensation program that is intended to align executive compensation with long-term stockholder interests;
- Limited executive perquisites; and
- Reasonable change-in-control benefits that protect the interests of stockholders and executives and are in line with industry practices.

COMPENSATION ELEMENTS

Our executive compensation program is performance-based. Our executive compensation program rewards our key executives for financial and business results that benefit our stockholders. The main elements of the compensation program consist of base salary and variable incentive compensation comprised of a mix of cash, performance-based and time-based long-term equity awards. The size of the total incentive awards received by our key executives, including the chief executive officer and each other named executive officer, is directly related to company and individual performance results for the year.

Our new additional pay-for-performance commitment policy. On June 1, 2011, the compensation committee adopted an additional policy reflecting the company's commitment to pay-for-performance for the executive compensation programs of our named executive officers. Under this policy, at least 50% of the equity-based compensation (based on the number of shares) awarded annually to our named executive officers will be performance-based awards that are earned or become exercisable on the achievement of company performance targets. The performance criteria, goals and rationale will be set at the time of grant.

Base salary. The base salaries of the named executive officers for 2011, which are disclosed in the *Summary Compensation Table* below, are consistent with our objective to emphasize pay-for-performance and appropriately align short-term and long-term incentives. Base salary levels are established based on a number of factors including: competitive market data, the complexity and level of responsibility of the executive's position and the assessment of the executive's performance. The base salaries of our named executive officers in 2011 (except for Mr. Stevens) were not changed based on a review of these factors and the determination that the base salaries of our named executive officers are in line with market and competitive practices. During the latter part of 2011, Mr. Stevens' base salary was adjusted in connection with his new role as Head of U.S. and Latin America Sales & Trading to better align the structure of his compensation package with similarly-situated executives internally and externally.

Our 2011 annual variable incentive compensation program. In addition to base salary, we compensate our executives through annual variable incentives, the payment of which is related to company performance. Our stockholders first approved the adoption of our annual incentive compensation program, which is named the Pay-For-Performance Incentive Plan, in 1997. Our stockholders subsequently approved the program again in 2003 and in 2008. We anticipate seeking re-approval of the Pay-For-Performance Incentive Plan by our stockholders in 2013. The purpose of the program is two-fold: to motivate employees subject to the plan to expend greater efforts in promoting the growth and annual profitability of the company and its subsidiaries and other business units; and to assist the company in attracting, retaining and rewarding executives through the payment of competitive levels of compensation.

We include in our Pay-For-Performance Incentive Plan those key employees who we expect to be subject to Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code") and who have company-wide responsibilities, who are in charge of a business unit, or whose performance can be expected to have a substantial effect on the results of a business unit. For 2011, the plan applied to Messrs. Gasser and Domowitz. For each participant, the compensation committee

specifies an award opportunity and performance objectives upon which payment of the award is conditioned. The performance objectives can be based on (a) the "business unit income" meaning the pre-tax income of the participant's business unit (which could consist of the company as a whole), from which the compensation committee may specify that certain amounts are to be subtracted, such as one-time gains, restructuring charges, impairment charges, capital charges, taxes and/or certain general and administrative expenses, (b) the revenues of the participant's business unit or (c) the participant's business unit's "economic value added," a measure of the amount of the business unit's after-tax income that exceeds the cost of the capital used by the business unit during the performance period. Payments under the program are generally in an amount equal to either a specified percentage or percentages of business unit income, revenues and/or "economic value added." The program as approved by our stockholders imposes maximum percentages of business unit income, revenues and "economic value added" that may be potentially payable under an award in any performance year to a single participant, and to all participants granted awards with respect to a single business unit. The maximum limits, whether to such single participant or to all participants, are 30% of pre-tax income of the company or a specific business unit, 10% of business unit revenues and 25% of "economic value added."

Although our stockholders authorized the compensation committee to pay annual incentives for 2011 up to these maximum limits, the compensation committee determined, at its February 2011 meeting, to reduce the amount of incentive compensation payable below these maximum limits. Specifically, for the 2011 performance period, the compensation committee established a variable compensation incentive pool for executive officers subject to our Pay-For-Performance Incentive Plan equal to not more than half of the maximum limit, meaning 15% of the company's pre-tax income (as adjusted to exclude non-operating or one-time items such as restructuring charges and asset impairments in accordance with the company's historical practices). In setting this pool, the committee believed that it would provide sufficient incentive for our named executive officers to achieve our 2011 business objectives. Of this pool, 35% was allocated to our chief executive officer and 16.25% of the pool was allocated to each of the other executive officers subject to the Pay-For-Performance Incentive Plan (which, for the 2011 performance year, only includes Mr. Domowitz). The committee decided to condition the payment of awards on the achievement of pre-tax income because this performance objective focuses on the profitability of the company, holding executive officers accountable for not only revenues but the cost structure of the company as well. The compensation committee retained the discretion to pay awards under the Pay-For-Performance Incentive Plan to the eligible executive officers in an amount less (but not more) than the maximum incentive pool awards that were set by the committee.

For the 2011 performance period, the company's pre-tax income (as adjusted to exclude restructuring costs, goodwill impairment charges and acquisition costs, all of which we deem non-recurring items) was approximately $49.6 million, resulting in an aggregate bonus pool of approximately $7.5 million. This resulted in a maximum award in respect of the 2011 performance year of approximately $2.6 million for Mr. Gasser and a maximum award in respect of the 2011 performance year of approximately $1.2 million for Mr. Domowitz. However, noting that 2011 pre-tax income had decreased from recent levels, the compensation committee determined to pay less than the maximum award to the eligible named executive officers. In determining these reduced amounts (which are shown in the supplemental table on page 17 below), the committee considered various factors, including compensation market data, a scorecard containing several key financial and non-financial objectives and individual performance assessments, in each case as more fully described on pages 20 to 23 below. In general, the committee did not exclusively rely on any one of these factors in making its determination as to the amount payable for the 2011 performance period. The variable incentive compensation awards for the 2011 performance period was paid in the form of cash (which is disclosed in the *Summary Compensation Table*) and an equity incentive under our Variable Compensation Stock Unit Award Program (formerly known as the Equity Deferral Award Program) (the "Variable Stock Compensation

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Program"), which is a subplan under our 2007 Omnibus Equity Compensation Plan (the "2007 Equity Plan") and further described below.

At the beginning of the 2011 fiscal year, Messrs. Stevens, Thadaney and Vigliotti were not subject to Section 162(m) of the Internal Revenue Code and therefore not part of our Pay-For-Performance Incentive Plan. Nonetheless, the amount of the variable incentive compensation award for the 2011 performance period was determined in a manner similar to, and on the same basis as the other named executive officers. Namely, the compensation committee used various factors, including compensation market data, a scorecard containing several key financial and non-financial objectives and performance assessments, in each case as more fully described on pages 20 to 23 below. The committee did not exclusively rely on any one of these factors in making its determination as to the amount payable for the 2011 performance period. Each award was paid in the form of cash (which is disclosed in the *Summary Compensation Table*) and an equity incentive under our Variable Stock Compensation Program as further described below. Mr. Heckman did not receive an incentive award in respect of 2011 because his employment terminated in 2011.

Description of our Variable Stock Compensation Program. The purpose of the Variable Stock Compensation Program is to provide an incentive to select members of senior management and key employees to increase the success of the company by granting stock units for a portion of the variable incentive compensation to be earned. The stock units represent an equity interest in the company to be acquired and held under the Variable Stock Compensation Program on a long-term, tax-deferred basis.

In general, under the Variable Stock Compensation Program, each eligible participant (including, in respect of the 2011 performance year, all of the named executive officers) is granted a number of basic stock units on the date the year-end cash bonus would otherwise be paid to the participant (that is, in early 2011 for the 2010 performance year and in early 2012 for the 2011 performance year) equal to (i) the amount by which the participant's variable compensation is awarded in equity as determined by the compensation committee, divided by (ii) the fair market value of a share of the company's common stock on the date of grant. Each participant is also granted an additional number of matching stock units on the date of grant. For the grants made in early 2011 for the 2010 performance year, the number of matching stock units was equal to 20% of the number of basic stock units granted. For the grants made in early 2012 for the 2011 performance year, the number of matching stock units was equal to 10% of the number of basic stock units granted. The percentage of matching stock units awarded decreased from 20% to 10% for the 2011 performance year as part of our ongoing cost reduction efforts and to preserve the number of shares available for the grant of awards in the future under our 2007 Equity Plan, resulting in total grant amounts that were less dilutive than would otherwise have been the case. Basic stock units vest in equal installments on each of the first, second and third anniversaries of the date of grant, if the participant remains continuously employed by the company on each applicable vesting date, and will be settled in shares of our common stock within 30 days after each applicable vesting date (net of shares withheld to meet required tax obligations). Matching stock units vest 100% on the third anniversary of the date of grant, if the participant remains continuously employed by the company through such vesting date, and will be settled in shares of our common stock within 30 days after the date on which such matching stock units vest (net of shares withheld to meet required tax obligations). Due to income tax considerations for the company, basic and matching stock units granted to employees of ITG Canada Corp. and its subsidiaries, including Mr. Thadaney, are settled by delivery of an equivalent amount of cash instead of shares of our common stock. Pursuant to the pay-for-performance policy that the compensation committee adopted on June 1, 2011, half of the basic and matching units that are awarded to each executive beginning with the 2011 performance year is subject to additional performance criteria, as further described below under *Variable Compensation Equity Awards for the 2011 performance year*.

Variable Compensation Equity Awards for the 2011 performance year. In determining the amount of variable compensation to be paid in equity for the 2011 performance year (within the established

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maximum amounts under the Pay-For-Performance Incentive Plan for the executive officers subject to the plan as described above), the compensation committee considered market data ranges and decided to increase the equity portion of variable compensation to continue to further align executive compensation with stockholder interests. As a result, each of the named executive officers received 60% of his variable compensation as equity awards, as compared to 50% for the 2010 performance year, with the remaining portion paid in cash. The equity incentive awards were then split such that each named executive officer received (i) half of his award as basic and matching units subject to the standard vesting and payment terms described in the prior paragraph ("Restricted Stock Unit Awards") and (ii) the remaining half as basic and matching units subject to, pursuant to our pay-for-performance policy described above, an extended vesting period and additional performance criteria (the "Market-based Awards"). Specifically, (i) one third of the basic units will vest on each of the second, third and fourth anniversaries of the date of grant so long as the executive is employed on the vesting date and the 90-day average of the company's common stock price preceding each of the vesting dates is greater than the 90-day average of the company's common stock price preceding the grant date and (ii) the matching units will vest on the fourth anniversary of the date of grant so long as the executive is employed on the vesting date and the 90-day average of the company's common stock price preceding such fourth anniversary is greater than the 90-day average of the company's common stock price preceding the grant date. To the extent that the stock price performance metric is not met on any given vesting date, the stock units that were eligible to vest on such vesting date are forfeited. Consistent with historical company practice, annual variable compensation plan payouts are payable in the fiscal year following the performance year when earned (i.e., amounts earned in 2011 were partially paid out in cash and in the form of equity compensation during the first quarter of 2012).

Variable Compensation Equity Awards for the 2010 performance year. Equity awards for the 2010 performance year, which are set forth in the Grants of Plan-Based Award Table, were granted in early 2011. As described in last year's proxy, in determining the amount of variable compensation to be paid as equity for Messrs. Stevens, Thadaney and Vigliotti, the compensation committee considered market data ranges and decided to split variable compensation such that the mix of cash and equity for the company's senior executives would be more closely aligned with market levels. As a result, each of Messrs. Stevens, Thadaney and Vigliotti received 50% of his variable compensation in the form of Restricted Stock Unit Awards.

As described in last year's proxy, the compensation committee determined to pay less than the maximum award under the Pay-For-Performance Incentive Plan to the eligible named executive officers (namely Messrs. Gasser, Domowitz and Heckman). The payment of these reduced amounts was made entirely in cash; none of Messrs. Gasser, Domowitz or Heckman received Restricted Stock Unit Awards or Market-based Awards in respect of their variable compensation attributable to their participation in the Pay-For-Performance Incentive Plan. However, in keeping with our philosophy to motivate and reward the talent needed to achieve growth and long-term success for our stockholders, the compensation committee determined, pursuant to its general discretion to grant equity awards under the 2007 Equity Plan (or any of its subplans) to grant a Restricted Stock Unit Award to each of Messrs. Domowitz and Heckman. In addition, Mr. Heckman also received an equity incentive award structured as a Market-based Award as described above (but without an additional number of matching units), which were formerly known as KEEP Awards, to more closely align Mr. Heckman's compensation with the market ranges paid to other executives, to increase the power of such award to motivate such named executive officer and to better align such compensation with stockholder interests.

Instead of an award granted under the Variable Stock Compensation Program, for the 2010 performance year Mr. Gasser received an option award with a three-year serial vesting schedule. The committee decided to grant an option award because it provides strong performance incentives aligned with stockholder interests since it will only have value if the company's stock price increases. One third of this award is currently exercisable but well out of the money.

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The discussion of our equity program above is relevant to understanding the committee's compensation decisions in respect of both the 2011 performance year as well as the 2010 performance year. Please note that the Securities and Exchange Commission's ("SEC") compensation disclosure rules currently require disclosure of the grant date value of equity awards granted during the last year (2011 in this case). Accordingly, the numbers shown in the *Summary Compensation Table* and *Grants of Plan Based Awards Table* show the equity awards granted during the 2011 calendar year in respect of the 2010 performance year. In light of the SEC's current compensation disclosure rules, we have provided the following table which sets forth the variable incentive compensation awards granted to our named executive officers (except for Mr. Heckman who did not receive variable incentive compensation for the 2011 performance year) by the compensation committee in February 2012 for the 2011 performance year:

Name	Cash ($)	Grant Date Fair Value of Restricted Stock Unit Awards (Basic Units) ($)(1)(2)	Grant Date Fair Value of Restricted Stock Unit Awards (Matching Units) ($)(1)(2)	Grant Date Fair Value of Market-based Awards (Basic Units) ($)(1)(2)	Grant Date Fair Value of Market-based Awards (Matching Units) ($)(1)(2)	Total ($)
Robert C. Gasser	900,000	675,000	67,500	675,000	67,500	2,385,000
Steven R. Vigliotti	300,000	225,000	22,500	225,000	22,500	795,000
Ian Domowitz	240,000	180,000	18,000	180,000	18,000	636,000
David J. Stevens(3)	491,182	360,688	36,069	360,686	36,069	1,284,694
Nicholas Thadaney(4)	588,402	437,721	43,772	437,721	43,772	1,551,388

(1) The amounts shown in these columns represent the aggregate grant date fair value of the Restricted Stock Unit Awards and Market-based Awards based on the closing price of our common stock on the grant date, which amount was used to determine the number of shares subject to such awards pursuant to the terms of the Variable Stock Compensation Plan. As such, in fulfillment of the additional pay-for-performance policy commitment we adopted on June 1, 2011, each of Messrs. Gasser, Vigliotti, Domowitz, Stevens and Thadaney received 50% of his equity-based compensation for the 2011 performance year (based on the number of shares subject to these awards) as Market-based Awards, subject to the additional performance criteria as described above.

(2) The amounts shown below represent the aggregate grant date fair value of the Restricted Stock Unit Awards and Market-based Awards as determined pursuant to the Financial Accounting Standards Board ("FASB") ASC Topic 718, which, pursuant to the SEC's current compensation disclosure rules will be the amounts set forth in next year's Summary Compensation Table. The fair value of the awards was determined using the valuation methodology and assumptions set forth in Note 2 to the company's consolidated financial statements included in the company's Annual

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Report on Form 10-K for the fiscal year ended December 31, 2011, which are incorporated herein by reference.

Name	Grant Date Fair Value of Restricted Stock Unit Awards (Basic Units) ($)	Grant Date Fair Value of Restricted Stock Unit Awards (Matching Units) ($)	Grant Date Fair Value of Market-based Awards (Basic Units) ($)	Grant Date Fair Value of Market-based Awards (Matching Units) ($)
Robert C. Gasser	675,000	67,500	448,017	46,136
Steven R. Vigliotti	225,000	22,500	149,344	15,384
Ian Domowitz	180,000	18,000	119,493	12,307
David J. Stevens(3)	360,688	36,069	239,400	24,653
Nicholas Thadaney(4)	437,721	43,772	437,721	43,772

(3)
Mr. Stevens' cash incentive compensation award was converted from GBP to USD at the following exchange rate: 0.6234 GBP:1 USD, which exchange rate represents the average rate of exchange during the 2011 fiscal year. Mr. Stevens' Restricted Stock Unit Award and Market-based Award (both basic and matching units) were converted from GBP to USD at the following exchange rate: 0.6368 GBP:1 USD, which exchange rate represents the exchange rate on the grant date.

(4)
Mr. Thadaney's cash incentive compensation award was converted from CAD to USD at the following exchange rate: 0.9891 CAD:1 USD, which exchange rate represents the average rate of exchange during the 2011 fiscal year. Mr. Thadaney's Restricted Stock Unit Award and Market-based Award (both basic and matching units) were converted from CAD to USD at the following exchange rate: 0.9972 CAD:1 USD, which exchange rate represents the exchange rate on the grant date.

Legacy Equity Awards. Certain equity awards disclosed in the *Options Exercised and Stock Vested Table* and the *Outstanding Equity Awards Table* were granted several years ago and are further described in either the narrative or footnotes following such Tables.

Stock Ownership Guidelines. Effective January 1, 2011, the compensation committee replaced our share retention program with new executive stock ownership guidelines. The guidelines require that each member of the company's executive committee own significant amounts of ITG stock based on the following multiples of annual base salary:

- the Chief Executive Officer: a multiple of five times base salary;
- each line of business executive: a multiple of three times his respective base salary; and
- each staff executive (including the Chief Financial Officer): a multiple of two times his respective base salary.

On the date that the executive satisfies the required multiple of base salary based on the closing price of the company's common stock on such date, the number of shares required to be held by the executive to comply with these guidelines is fixed based on such closing price. Each executive has five (5) years from January 1, 2011 or the date of hire or promotion, whichever is later, to achieve his ownership guideline. Executives not yet in compliance with the guidelines are required to retain at least 50% of the after-tax value received from the vesting of restricted stock (or stock unit) awards until the applicable ownership guidelines (as set forth above) are met. The compensation committee monitors compliance with these stock ownership guidelines on an ongoing basis. With limited exception, shares that are deemed "owned" for purposes of Section 16 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") are counted towards satisfaction of these guidelines.

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These guidelines are intended to align further the interests of senior management with the interests of stockholders and lessen any appearance of an incentive for management to seek unsustainable short-term increases in our stock price. In addition, employees are prohibited from short selling ITG stock, engaging in options transactions in the market where the underlying security is an ITG security or engaging in hedging or monetization transactions that have the purpose or effect of limiting the employee's ability to profit from an increase in the market price of ITG securities or providing to the employee an opportunity to profit from a decrease in the market price of ITG securities. These prohibitions further ensure that employees share in the risks and rewards of the ownership of our stock.

As of December 31, 2011, each member of the company's executive committee was either in compliance with, or on target to meet, his ownership guideline.

Executive Perquisites. It is our policy not to provide executive perquisites and special benefits unless they are reasonable and business-related. For 2011, perquisites for each named executive officer, other than Mr. Stevens, totaled less than the disclosure threshold of $10,000. More specifically, and as disclosed in the "All Other Compensation" column of the *Summary Compensation Table*, in light of Mr. Stevens' overseas assignments, the company provided him with certain additional benefits.

Retirement Benefits. Our named executive officers, other than Mr. Thadaney, are eligible to participate in our tax-qualified Retirement Savings Plans on the same basis as all other U.S.-based full-time employees. We do not maintain any supplemental executive retirement plans. During a portion of 2011, Mr. Stevens participated in the Hong Kong Mandatory Provident Fund, a statutory retirement program. Mr. Thadaney participates in ITG Canada's Group Registered Retirement Savings Plan on the same basis as all other employees of such affiliate.

Severance and Change-in-Control Agreements. The company maintains change-in-control agreements for all named executive officers. Mr. Gasser is eligible for change-in-control benefits pursuant to the terms of his employment agreement described below. All other named executive officers are eligible for change-in-control related severance benefits that were approved by the compensation committee after extensive discussion and competitive research. They are designed to achieve the following objectives:

- Promote senior management stability;
- Retain key executives whose continued employment might be vulnerable following a change in control;
- Reflect competitive practices in the industry; and
- Minimize potential costs to ITG's stockholders.

The compensation committee believes that these agreements balance the important stockholder objectives of retaining an effective and motivated executive team and minimizing costs in the event of a change in control.

The agreements (which are described in greater detail below under *Severance and Change-in-Control Arrangements*) were intended by the compensation committee to provide reasonable benefits that reflect industry practices and include the following:

- Severance payments require termination, either involuntary not-for-cause (and not as a result of death or disability) or voluntary with good reason as defined, within 18 months following a change in control;

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- Severance benefits equal to two times the sum of annual base salary plus average bonus (including any bonus amounts paid in the form of basic units awarded under the Variable Stock Compensation Program) over the prior three years;

- Terminated individuals also receive a *pro rata* bonus (based on the average bonus (including any bonus amounts paid in the form of basic units awarded under the Variable Stock Compensation Program) over the prior three years) for the year of termination and health and welfare benefits for up to two years following the date of termination;

- If the change-in-control benefits would cause the executive to be subject to the golden parachute excise taxes, then the benefits are reduced to the highest level that does not trigger the excise tax unless the value after the executive pays all taxes is greater (in which case no reduction is made); and

- Under no circumstances do we provide any tax-related payments such as excise tax gross-ups.

In addition, under each of the named executive officer's equity award agreements, all unvested equity awards vest immediately upon a change in control, with performance-based awards vesting at the 100% level.

ITG has no plans or agreements in place regarding executive severance benefits upon a termination that is unrelated to a change in control, with the exception of the ones described below in the *Employment Arrangements* and *Severance and Change-in-Control Arrangements* sections. In the event of the termination of a named executive officer not covered by an employment arrangement, severance benefits (if any) are negotiated as deemed necessary or advisable by the compensation committee.

Employment Arrangements. On September 15, 2006, Mr. Gasser entered into an employment agreement, which was later amended on August 6, 2008 and April 20, 2010. Other than the provisions related to severance outside of a change in control (which are described below under *Severance and Change-in-Control Arrangements*, the elements of, and the factors used by the compensation committee in determining, Mr. Gasser's compensation are generally consistent with the compensation structure in place for our other key executives. Mr. Gasser's severance benefits outside of a change in control were set as a result of arms' length negotiations between Mr. Gasser and the company.

Agreement with Christopher Heckman. As previously disclosed, on August 8, 2011, the company and Mr. Heckman entered into an agreement (the "Separation Agreement") pursuant to which they mutually agreed that, effective August 1, 2011, Mr. Heckman resigned from all of his positions with the company and its subsidiaries. The payments and benefits pursuant to this Separation Agreement are consistent with the payments and benefits for similarly-situated executives and take into account Mr. Heckman's 20+ years of service with the company. The main terms of this Separation Agreement are described in greater detail below under *Severance and Change-in-Control Arrangements*.

COMPENSATION DECISION FACTORS AND COMPENSATION DETERMINATION HOW AND WHY THE COMMITTEE DETERMINED OUR NAMED EXECUTIVE OFFICERS' COMPENSATION FOR 2011

In determining total compensation amounts, including the mix of base salary, cash variable compensation and equity variable compensation, the compensation committee (i) reviews market compensation data, (ii) evaluates the corporate scorecard containing several key financial and non-financial objectives, (iii) completes a performance assessment for each named executive officer and (iv) reviews other factors such as aggregate variable compensation costs, internal pay equity and prior years' compensation, in each case, as further described below.

Market data review. McLagan provided compensation market data to the compensation committee for each named executive officer's position. To help in analyzing the market data, McLagan established a total direct compensation market range for each named executive officer position. The sources of the

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data include survey data for comparable industry positions and proxy disclosures by companies included in our peer group. McLagan used survey data that is appropriate to the executive officer's position and responsibility and consistent with ITG's size, type and mix of businesses and the sectors in which we compete for executive talent.

The market ranges helped the compensation committee in assessing the competitive placement of our named executive officers' total direct compensation for 2011. The compensation committee's assessment of the placement of each named executive officer's compensation relative to market range considers the scope, complexity and responsibility of the executive's position in relation to positions in the sources of data. The compensation committee exercised its judgment in interpreting the market ranges provided by McLagan. A named executive officer's actual positioning relative to that market range is a result of the compensation committee's assessment of the corporate scorecard, in addition to the company and individual performance factors, we describe below. The compensation market data and ranges provide only a reference point for the compensation committee. Depending upon company, business and individual performance results, a named executive officer's total direct compensation may be within, below or above the market range for that position. As with all of the compensation decision factors in this section, the market data and ranges do not, by themselves, directly determine a named executive officer's total direct compensation. As a result of the company's performance results in 2011, the committee awarded, in the aggregate, total direct compensation to the named executive officers that fell well below the 25th percentile of market compensation levels provided by McLagan.

Our peer group. The compensation committee periodically reviews the composition of our peer group to ensure that it is using the most appropriate peers among those available in the market. At its November 2011 meeting, the committee revisited the peer group it had been using for the prior year because certain companies within such group were no longer in existence due to, among other things, acquisitions. The peer group was reviewed pursuant to a methodology provided by McLagan. In selecting the companies for our peer group, the compensation committee considered the following factors, among others: business focus; industry; size; capital structure and growth; whether the company competes against us for executive talent; compensation philosophy; and business and financial performance. The peer group of nine companies used for 2011 compensation purposes was as follows: BGC Partners, Inc., CBOE Holdings, Inc., GFI Group Inc., IntercontinentalExchange Inc., Knight Capital Group Inc., Penson Worldwide, Inc., FXCM, Inc., MarketAxess Holdings, Inc. and TMX Group, Inc.

Although no single company included in the peer group is exactly comparable to ITG in every respect, the compensation committee uses the peer group to validate the range of competitive pay. The compensation committee will continue to review the composition of the peer group, as appropriate, and may make changes to it in the future in response to such factors as changes in the mix of the company's business segments or major changes in the capital structure or business makeup of a peer company.

The corporate scorecard. At the beginning of the 2011 fiscal year, the compensation committee worked with McLagan, and in consultation with management, to establish a scorecard (1) containing several key financial and non-financial company objectives and (2) comparing the company's financial performance relative to its peer group. The compensation committee decided that, for 2011, the objectives should be aggressive and relate to (a) delivering stockholder value by achieving various financial targets, including those related to revenues, earnings per share and pre-tax margins, (b) market share improvements for various products and customer segments, (c) executing on the company's strategic initiatives and (d) retention of key employees. The metrics selected to assess the company's financial performance relative to its peer group include total revenues, earnings per share, pre-tax income and net income, return on equity and stockholder return. These objectives and metrics were selected because the compensation committee believes that such measures demonstrate the overall

operating performance of the company and are widely recognized as industry benchmarks that translate into increased stockholder value.

The compensation committee reviews the scorecard quarterly and uses its judgment in determining, within the amount payable under our Pay-For-Performance Incentive Plan for the named executive officers subject to the plan, the appropriate level of compensation based on the achievement level of the measures collectively. The compensation committee does not attempt to quantify, rank or assign relative weight to various objectives or metrics included on the corporate scorecard, but instead evaluates the level of achievement of the measures as a whole. In 2011, our business was affected by challenging economic and regulatory conditions as further described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2011. The committee considered the scorecard in the context of this challenging environment. As such, the committee awarded total direct compensation to the named executive officers, in the aggregate, that fell well below the 25th percentile of market compensation levels provided by McLagan. While overall pay was reduced, Messrs. Stevens and Thadaney were each compensated for their impact on the 2011 business results achieved in the Asia-Pacific region and Canada, respectively. In addition, the compensation awarded to Mr. Stevens reflects the increased responsibilities he acquired in the latter half of 2011 when he relocated to New York to become Head of U.S. and Latin America Sales & Trading. These decisions evidence the committee's philosophy and commitment to align compensation to the achievement of company performance measures.

Performance assessment. At the beginning of each year, our board of directors approves performance measures and objectives for the company and our chief executive officer, and our chief executive officer approves the performance measures and objectives for each of his direct reports (including each named executive officer). In determining the actual compensation paid to each named executive officer, the compensation committee completes a final annual performance assessment for our chief executive officer and reviews with the chief executive officer his assessment of each named executive officer annually starting in December of the relevant performance year through January and February of the following year. While the chief executive officer's evaluation carries significant weight, the compensation committee reaches its own independent viewpoint on each named executive officer's performance and makes its compensation decisions accordingly.

Factors used by the compensation committee in assessing the performance of our chief executive officer. The committee uses a detailed assessment in evaluating the performance of our chief executive officer. Among other factors, this assessment covers key financial and business accomplishments for 2011. The assessment also includes our progress in: improving key business metrics; implementing strategic initiatives; investments in technology and new business initiatives; and improving the strength of our control and operating environments. The committee also considers our chief executive officer's leadership achievements in areas such as workforce engagement and talent management. The compensation committee believes that Mr. Gasser performed well in 2011 by (1) maintaining the company's market share with institutional clients, (2) executing on the company's strategy to expand its addressable market through unbiased research, (3) managing costs and (4) demonstrating strong leadership as evidenced by the retention of key talent, in each case, despite the business challenges faced by the company in 2011.

Factors used by the compensation committee in assessing the performance of the other named executive officers. Just as the committee assesses the performance of our chief executive officer, our chief executive officer assesses the performance of each other named executive officer. The chief executive officer evaluated the performance of each named executive officer on many of the same factors we described for the chief executive officer because these factors are important to the company's short-term and long-term objectives and reflect the functions over which the executives have responsibility. Such factors include, among others: contribution to the achievement of company

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financial performance, such as pre-tax income and revenue; improvement in business metrics such as client growth and retention; achievement of business objectives; the development of new products and solutions for our clients; improvement in controls and efficiencies in our operating environment; and achievement in leadership in areas such as workforce engagement and talent management. Our chief executive officer discussed his evaluation of the performance of each named executive officer with the committee. The committee questioned and discussed each named executive officer's performance with our chief executive officer.

Other Factors Considered. In addition to compensation market data, the corporate scorecard and the performance assessment considered by the compensation committee in setting compensation levels, the compensation committee considers such additional factors as:

Aggregate cost of variable incentive compensation: the compensation committee compares the proposed cost of the aggregate incentive compensation pool for the company's executive committee to the prior years' cost.

Internal pay equity: the compensation committee compares the differences in total compensation from one executive to the other in order to assess internal equity.

The executive's prior years' compensation: the compensation committee compares proposed compensation with actual prior years' compensation to ensure that any increases in compensation are the result of growth in performance.

No one factor, by itself, determines the compensation committee's assessment of a named executive officer's performance and the committee considers many different factors in assessing the performance of each named executive officer. The compensation committee does not use a rigid set of rules for determining the relative importance of these factors. The compensation committee emphasizes and weighs performance factors differently for each named executive officer based on its view of such factors.

IMPACT OF REGULATORY REQUIREMENTS

In making executive compensation decisions, the compensation committee is mindful of the impact of regulatory requirements on those decisions. In particular, regulatory requirements affect the compensation committee's decisions in the following ways:

Internal Revenue Code Section 162(m): Section 162(m) of the Internal Revenue Code can potentially disallow a federal income tax deduction to us for compensation over $1 million paid to our chief executive officer and our other most highly compensated named executive officers who are subject to Section 162(m). One exception to Section 162(m)'s disallowance of a federal income tax deduction for compensation over $1 million applies to "performance-based compensation" paid pursuant to a stockholder-approved plan.

For the cash and equity incentive awards made to the applicable named executive officers, we used a separate pool under the Pay-For-Performance Incentive Plan as described above that is designed to make those cash and equity awards deductible for federal income tax purposes. The compensation committee established the pool in the first quarter of 2011, and set a maximum percentage of the pool that each named executive officer, other than our named executive officers who were not subject to Section 162(m) at the time such pool was established, could receive. The compensation committee paid less than the maximum incentive award for each of the named executive officers, noting that 2011 pre-tax income had decreased from recent levels and using the compensation decision factors that we described earlier in the *Compensation Discussion and Analysis*. This reduction from the maximum percentage amount allocated to a named executive officer is not a negative reflection on the performance of our chief executive officer or any other named executive officer.

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The company believes that tax deductibility of compensation is an important factor, but not the sole factor, in setting executive compensation policy or in rewarding superior executive performance. Accordingly, although the company generally intends to avoid the loss of a tax deduction due to Section 162(m), it reserves the right to pay amounts that are not deductible in appropriate circumstances. In establishing our annual cash and equity variable compensation awards, the company considered the tax and accounting implications of the awards, but determined the awards primarily by their effectiveness in providing maximum alignment with the company's key strategic objectives identified above.

Internal Revenue Code Section 409A: The compensation committee intends all programs to be designed so that they are not considered deferred compensation under the Section 409A definitions, or they comply with the deferred compensation rules in Section 409A.

Accounting Treatment: In determining equity awards granted as part of 2011 compensation, the compensation committee considered the potential expense of those awards and the impact on earnings per share. The compensation committee concluded that the associated expense and earnings per share impact were appropriate, given competitive compensation practices in the industry, our performance and the motivational and retention effect of the awards.

COMPENSATION COMMITTEE REPORT

The compensation committee has reviewed and discussed the *Compensation Discussion and Analysis* with management and recommended to the board of directors that the *Compensation Discussion and Analysis* be included in this proxy statement.

Compensation Committee

J. William Burdett, Chair
Kevin J.P. O'Hara
Maureen O'Hara
Steven S. Wood

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Executive Compensation

Summary Compensation Table

The following table sets forth the compensation for 2009, 2010 and 2011 of our named executive officers (except for Mr. Vigliotti who joined the company as the Chief Financial Officer in 2010 and Mr. Domowitz who was not a named executive officer in 2009).

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($)(1)	Option Awards ($)	Non-Equity Incentive Plan Compensation ($)	All Other Compensation ($)(2)	Total ($)
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Robert C. Gasser,	2011	750,000			1,375,000(3)	900,000		3,025,000
President and Chief	2010	750,000		1,811,226		1,375,000	7,350	3,943,576
Executive Officer	2009	750,000		453,007			7,350	1,210,357
Steven R. Vigliotti,	2011	500,000	300,000(4)	540,000			7,350	1,347,350
Managing Director and Chief	2010	500,000	450,000	500,000			9,800	1,459,800
Financial Officer	2009							
Ian Domowitz,	2011	500,000		540,000		240,000	7,350	1,287,350
Managing Director and	2010	500,000		641,482		450,000	17,150	1,608,632
Head of Analytics	2009							
David J. Stevens,	2011	446,621	491,182(4)	672,160			253,999	1,863,962
Managing Director and Head of U.S.	2010	392,906	538,851	469,981			140,688	1,542,426
and Latin America Sales & Trading(5)	2009	264,279	738,416	410,424			55,206	1,468,325
Nicholas Thadaney,	2011	404,400	588,402(4)	967,400			7,077	1,967,279
Managing Director and Chief	2010	388,160	776,320	565,376			9,309	1,739,165
Executive Officer of ITG Canada(6)	2009	262,890	836,428	723,667			2,936	1,825,921
Christopher J. Heckman,	2011	293,590		811,288			950,560	2,055,438
Former Managing Director and Head	2010	500,000		528,283		500,000	17,150	1,545,433
of U.S. Sales and Trading(7)	2009	500,000		1,137,015			17,150	1,654,165

(1) The amounts shown in column (e) represent the aggregate grant date fair value of the restricted stock unit awards granted to each of the named executive officers during each year, as determined pursuant to FASB ASC Topic 718. The fair value of the awards was determined using the valuation methodology and assumptions set forth in Note 2 to the company's consolidated financial statements included in the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011, which are incorporated herein by reference. See the narrative discussion and footnotes following the *Grants of Plan-Based Awards Table* for more information about awards granted in 2011.

(2) Except as specifically noted below, the amount of (or incremental cost to the company with respect to) any of the elements of compensation included in column (h) did not exceed (x) in the case of any personal benefit or perquisite, $25,000, or (y) in the case of any other element of compensation, $10,000.

Name	Company Contributions to Defined Contribution Plans
Steven R. Vigliotti	$ 7,350*
Ian Domowitz	$ 7,350*
David J. Stevens	$ 31,804**
Nicholas Thadaney	$ 7,077***
Christopher J. Heckman	$ 7,350*

* Under our Retirement Savings Plans, we match 50% of employee contributions up to a maximum of 3% of the employee's eligible compensation per year and we may make a

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discretionary profit sharing contribution that can vary from 0-8% of the employee's eligible compensation per year. For 2011, the company did not make a discretionary profit sharing contribution.

**

The amount shown represents the company's retirement contribution to Mr. Stevens pursuant to the Hong Kong Mandatory Provident Fund (and Mr. Stevens' employment contract in existence during that time). This amount represents 10% of Mr. Stevens' base salary in accordance with the Hong Kong Mandatory Provident Fund (and Mr. Stevens' employment contract in existence during that time), under which the company contributes a determined percentage of the employee's base salary.

***

The amount shown represents the company's retirement contribution to Mr. Thadaney, which amount represents a one-time annual base contribution of $3,538 and a 100% match of any employee contributions up to $3,539.

In addition to the retirement contribution described above, the company provided Mr. Stevens with the following additional benefits in connection with his overseas assignments and pursuant to the terms of his offer letters: (a) $133,665 in housing allowance payments, (b) $62,921 for airfare and related travel expenses for him and his immediate family, (c) a relocation payment of $11,759 in accordance with our international transfer policy and (d) the remainder representing immigration expenses and tax consultation fees in accordance with our international transfer policy.

(3)

The amount shown represents the aggregate grant date fair value of stock options awarded to Mr. Gasser during 2011, as determined pursuant to FASB ASC Topic 718. The fair value of the award was determined using the valuation methodology and assumptions set forth in Note 2 to the company's consolidated financial statements included in the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011, which are incorporated herein by reference. See the footnotes following the *Grants of Plan-Based Awards Table* for more information about awards granted in 2011.

(4)

As discussed in the *Compensation Discussion and Analysis* above, the compensation committee takes into account performance and other factors in making a determination of these award amounts.

(5)

Mr. Stevens' base salary, bonus and all other compensation amounts were converted from GBP to USD at the following exchange rate: 0.6234 GBP:1 USD, which exchange rate represents the average rate of exchange during the 2011 fiscal year.

(6)

Mr. Thadaney's base salary, bonus and all other compensation amounts were converted from CAD to USD at the following exchange rate: 0.9891 CAD:1 USD, which exchange rate represents the average rate of exchange during the 2011 fiscal year.

(7)

Pursuant to Mr. Heckman's Separation Agreement, Mr. Heckman, as of December 31, 2011, had received $943,210 in separation payments, which includes severance payments of $911,458, COBRA payments of $8,040 and $23,712 representing payment for all accrued but unused paid vacation time.

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Grants of Plan-Based Awards Table

The table set forth below lists each grant or award made in 2011 to any of the named executive officers under any of the company's equity and non-equity incentive plans.

		Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards						
Name	**Grant Date**	**Threshold ($)**	**Target ($)**	**Maximum ($)(1)**	**Threshold (#)**	**Target (#)**	**Maximum (#)**	**All Other Stock Awards: Number of Shares of Stock or Units (#)(3)**	**All Other Option Awards: Number of Securities Underlying Options (#)**	**Exercise or Base Price of Option Awards ($)**	**Grant Date Fair Value ($)(5)**
(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**	**(j)**	**(k)**	**(l)**
Robert C. Gasser	2/23/11								192,733(2)	18.71	1,375,000
Steven R. Vigliotti	2/23/11							28,863			540,000
Ian Domowitz	2/23/11							28,863			540,000
David J. Stevens	2/23/11							35,247			672,160
Nicholas Thadaney	2/23/11							51,706			967,400
Christopher J. Heckman	2/23/11							32,069			600,000
	2/23/11					16,035(4)	16,035(4)				211,288

(1) As discussed in greater detail in our *Compensation Discussion and Analysis* on page 14 above and the narrative below this table, the maximum total incentive compensation (cash and equity) award that could have been made to Mr. Gasser under our Pay-For-Performance Incentive Plan for 2011 was 35% of 15% of the company's pre-tax income (as adjusted to exclude non-operating or one-time items such as restructuring charges and asset impairments in accordance with the company's historical practices). Based on 2011 pre-tax income, this maximum was approximately $2.6 million. The maximum total incentive compensation award that could have been made to Mr. Domowitz for 2011 was 16.25% of 15% of the company's pre-tax income (as adjusted to exclude non-operating or one-time items such as restructuring charges and asset impairments in accordance with the company's historical practices). Based on 2011 pre-tax income, this maximum was approximately $1.2 million. For the 2011 performance period, the compensation committee determined to pay less than the maximum awards when determining actual awards as set forth below and as further described in the *Compensation Discussion and Analysis* above. The incentive awards that could have been made to the other named executive officers were not subject to maximum limitations.

(2) Mr. Gasser's options, granted under the company's 2007 Equity Plan, reflect compensation for fiscal year 2010 performance, and vest in equal installments on each of the first, second and third anniversaries of the date of grant. Such options expire at the earliest of (1) eight years after the date of grant, (2) 12 months after death or disability, (3) the dates set forth in *Severance and Change-in-Control Arrangements Employment Agreement with Mr. Gasser* if Mr. Gasser's employment is terminated for good reason or by the company without cause and (4) 60 days after employment is terminated for any other reason.

(3) Shares subject to these restricted stock units (including both basic and matching units) were granted as awards under the Variable Stock Compensation Program, the economic value of which reflects compensation for fiscal year 2010 performance. For more information relating to these units, see the narrative discussion following this table.

(4) Shares subject to these restricted stock units were granted as Market-based Awards (as described in the narrative discussion following this table) under the Variable Stock Compensation Program. For more information relating to these units, see the narrative discussion following this table.

(5) Reflects the aggregate grant date fair value of the awards as determined pursuant to FASB ASC Topic 718. The fair value of the awards was determined using the valuation methodology and assumptions set forth in Note 2 to the company's consolidated financial

statements included in the

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company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011, which are incorporated herein by reference.

Pay-For-Performance Incentive Plan

For Messrs. Gasser and Domowitz, during the first quarter of 2011, the compensation committee specified an award under the Pay-For-Performance Incentive Plan and performance objectives upon which payment of the award would be conditioned. Although the compensation committee has no discretion to increase the amounts of awards previously established under the plan, the plan permits the compensation committee to reduce the amount of, or cancel, final awards, in view of business strategy, performance of comparable organizations, economic and business conditions, personal performance of the participant, or otherwise. The compensation committee may also provide that income of a business unit may be adjusted downward to reflect specified charges, expenses, and other amounts, or adjust or modify awards and performance objectives in recognition of unusual or nonrecurring events, in response to changes in applicable laws, regulations, accounting principles, or other circumstances, or specify performance periods for awards less than one year. If a participant ceases to be employed due to death, disability, or retirement (including early retirement with the approval of the compensation committee), the compensation committee will determine the amount payable as a final award achieved or resulting from the portion of the performance year completed at the date employment ceased (which may be a pro rata payment of the final award, determined at the end of the performance year), except that no payout shall be made if it is duplicative of severance payments. If a participant's employment terminates during a performance year for any other reason, no final award will be paid to the participant under the Pay-For-Performance Incentive Plan. During the first quarter of 2012, the compensation committee determined the extent to which awards have been earned and performance objectives achieved, and the amounts therefore payable to each eligible executive officer.

Note that an executive will get an award under this Pay-For-Performance Incentive Plan only to the extent that the achievement of plan metrics allows for payment of such award.

Variable Stock Compensation Program (formerly the EDA Program)

Under our Variable Stock Compensation Program, each eligible participant is granted a number of basic stock units on the date the year-end cash bonus would otherwise be paid to the participant equal to (i) the amount by which the participant's variable compensation is awarded in equity as determined by the compensation committee, divided by (ii) the fair market value of a share of the company's common stock on the date of grant. The number of basic stock units granted to each named executive officer under the Variable Stock Compensation Program in 2011 was determined based upon the amount of 2010 variable compensation awarded in equity divided by the closing price per share of our common stock on the NYSE on the grant date.

Under the terms of the Variable Stock Compensation Program, each participant, in 2011, was granted an additional number of matching stock units on the date of grant equal to 20% of the number of basic stock units granted. Basic stock units vest in equal annual installments on each of the first, second and third anniversaries of the date of grant, if the participant remains continuously employed by the company on each applicable vesting date, and will be settled in shares of our common stock within 30 days after each applicable vesting date. Matching stock units will vest 100% on the third anniversary of the date of grant, if the participant remains continuously employed by the company through such vesting date, and will be settled in shares of our common stock within 30 days after the date on which such matching stock units vest. In the case of basic and matching stock units granted to employees of ITG Canada Corp. and its subsidiaries, including Mr. Thadaney, stock units are settled by delivery of an equivalent amount of cash instead of shares of our common stock.

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The compensation committee may also determine, in its sole discretion, to award stock units or other forms of equity under the Variable Stock Compensation Program to any participant at such times and subject to such terms and conditions as the compensation committee deems appropriate. The compensation committee exercised this discretion with respect to Mr. Heckman for the 2010 performance year by awarding him a Market-based Award as further described in the *Compensation Discussion and Analysis* above.

Options Exercised and Stock Vested for 2011 for Named Executive Officers

	Option Awards		Stock Awards	
Name	**Number of Shares Acquired Upon Exercise (#)**	**Value Realized Upon Exercise ($)**	**Number of Shares Acquired Upon Vesting (#)(1)(2)**	**Value Realized Upon Vesting ($)(3)**
(a)	**(b)**	**(c)**	**(d)**	**(e)**
Robert C. Gasser			37,090	665,874
Steven R. Vigliotti				
Ian Domowitz			20,977	373,388
David J. Stevens			13,582	254,119
Nicholas Thadaney			17,871(4)	324,851(4)
Christopher J. Heckman(5)			22,477	400,403

(1) The amounts shown in column (d) includes the vesting of stock units granted under the Stock Unit Award Program ("SUA Program") in prior years and restricted stock units that vested in 2011.

(2) As more fully described in the narrative following this table, the units granted under the SUA Program in prior years (including the vested units representing foregone compensation) are not delivered in shares of ITG common stock until the third anniversary or the sixth anniversary of the grant date. We believe that these settlement provisions of the SUA Program align our executives' economic interests with those of our stockholders, by having provided a vehicle for investing a portion of compensation in our stock.

(3) Values based on the closing price of our common stock on the NYSE on the vesting date of the underlying shares, or the last trading day immediately prior to the vesting date to the extent the vesting date was not a trading date.

(4) Pursuant to the terms of our Variable Stock Compensation Program, all of these units were settled in cash instead of shares.

(5) Pursuant to Mr. Heckman's Separation Agreement, all outstanding stock unit awards under the SUA Program that were not already vested as of August 1, 2011 were forfeited and automatically terminated on that date. Outstanding Stock Units under the Variable Stock Compensation Program that were not already vested as of August 1, 2011 continued to vest pursuant to the terms of Mr. Heckman's Separation Agreement, as discussed in the *Severance and Change in Control Arrangements* below. All outstanding stock options held by Mr. Heckman that were not vested and exercisable as of the Separation Date were forfeited and automatically terminated. All stock options that were vested as of the Separation Date remained exercisable for sixty (60) days. These options expired without being exercised.

SUA Program

Under our SUA Program, which was frozen as of January 1, 2009, each named executive officer (except for Messrs. Stevens and Thadaney, in addition to Mr. Vigliotti who joined the company in 2010) could irrevocably elect, on an annual basis, to forgo the receipt of a portion of their total cash compensation and receive units representing shares of our common stock on a one-for-one basis with a

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fair market value equal to 120% of the forgone compensation. The matching units that represent the additional 20% of the forgone compensation vest entirely on the third anniversary of the grant date, provided the participant remains employed by the company through such date. The remaining units representing the foregone compensation are fully vested and are nonforfeitable as of the grant date. All vested units are delivered in shares of ITG common stock on the third anniversary of the grant. (Prior to the amendment of the SUA Program in April 2006, participation was mandatory and participants received common stock with a fair market value equal to 130% of forgone compensation. The matching units that represent the additional 30% of the forgone compensation vest and are settled as follows: half of the matching stock units vest and are settled on the third anniversary of the grant date and the other half vest and are settled on the sixth anniversary of the grant date. The remaining units representing the foregone compensation are vested as of the grant date and half are settled on the third anniversary of the grant date and the other half are settled on the sixth anniversary of the grant date.)

Non-qualified Deferred Compensation

Name	Executive contributions in last FY ($)	Aggregate earnings in last FY ($)(1)	Aggregate withdrawals/ distributions ($)(2)	Aggregate balance at last FYE ($)(3)
(a)	(b)	(c)	(d)	(e)
Robert C. Gasser		(24,251)	(98,735)	0
Steven R. Vigliotti				
Ian Domowitz		(31,679)	(95,694)	12,594
David J. Stevens				
Nicholas Thadaney				
Christopher J. Heckman		(29,433)	(205,945)	11,707

(1) The amounts shown in column (c) represent (i) for units representing deferred compensation granted under our SUA Program prior to 2011 and not settled in 2011, the difference in the fair market value of such units on December 31, 2011 as compared to the fair market value of such units on December 31, 2010 and (ii) for units representing deferred compensation granted under our SUA Program prior to 2011 and settled in 2011, the difference in the fair market value of such units on the date of settlement as compared to the fair market value of such units on December 31, 2010. Fair market values are based on the closing price of our common stock on the NYSE on the dates referenced above.

(2) The amounts shown in column (d) represent the fair market value of the shares of ITG common stock representing deferred compensation delivered to each named executive officer during 2011 pursuant to our SUA Program. Fair market values are based on the closing price of our common stock on the NYSE on the dates that the underlying shares were delivered.

(3) The amounts shown in column (e) represent the fair market value of the shares of ITG common stock representing deferred compensation held by each named executive officer under the SUA Program as of December 31, 2011.

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Outstanding Equity Awards for Named Executive Officers at December 31, 2011

	Option Awards					Stock Awards			
Name	**Number of Securities Underlying Unexercised Options (#) Exercisable**	**Number of Securities Underlying Unexercised Options (#) Unexercisable**	**Equity Incentive Plans: Number of Securities Underlying Unexercised Unearned Options (#)**	**Option Exercise Price ($)**	**Expiration Date**	**Number of Shares or Units of Stock Held That Have Not Vested (#)**	**Market Value of Shares or Units of Stock Held That Have Not Vested ($)**	**Incentive Plans: Number of Nonvested Shares, Units or Other Rights Held (#)**	**Incentive Plans: Market or Payout Value of Nonvested Shares, Units or Other Rights Held ($)**
(a)	**(b)**	**(c)**	**(d)**	**(e)**	**(f)**	**(g)**	**(h)**	**(i)**	**(j)**
Robert C. Gasser	60,340(1)			47.25	1/2/13				
		192,733(2)		18.71	2/23/19				
						8,637(4)	93,366		
						61,575(5)	665,626		
								35,524(6)	384,014
Steven R. Vigliotti						24,120(7)	260,737		
						28,863(8)	312,009		
Ian Domowitz	16,190(3)			47.59	1/1/13				
						17,103(4)	184,883		
						21,808(5)	235,745		
								12,582(6)	136,011
						28,863(8)	312,009		
						349(9)	3,773(9)		
David J. Stevens	14,608(3)			47.59	1/1/13				
						9,364(4)	101,225		
						20,096(5)	217,238		
						35,247(8)	381,020		
Nicholas Thadaney	12,901(3)			47.59	1/1/13				
						13,716(4)	148,270		
						24,175(5)	261,332		
						51,706(8)	558,942		
Christopher J. Heckman						21,679(4)	234,350		
						17,960(5)	194,147		
						32,069(8)	346,665		
								10,362(6)	112,013
						16,035(10)	173,338		

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(1) (3): The options disclosed in columns (b) and (c) became or become, to the extent the named executive officer remains employed through the applicable vesting date, fully exercisable on the following dates: (1) 1/2/2011; (2) this amount vested, or will vest, in thirds on 2/23/2012, 2/23/2013 and 2/23/2014 and (3) 1/1/2011.

(4): These units represent the nonvested portion of the restricted stock units (basic and matching stock units) granted to the named executive officers in 2009 (for the 2008 performance year) pursuant to the Variable Stock Compensation Program. The market value of these awards was determined using a per share value of the company's common stock of $10.81 (which was the closing price per share on December 31, 2011). Messrs. Gasser, Domowitz, Heckman, Stevens and Thadaney were issued 3,239, 6,414, 8,130, 3,512 and 5,144 matching units, respectively, which vested in full on 3/13/2012 for Messrs. Gasser, Domowitz and Heckman, 2/23/2012 for Mr. Stevens and 2/6/2012 for Mr. Thadaney. The remaining units disclosed represent the nonvested portion of the basic units granted under the Variable Stock Compensation Program, which vested in full on 3/13/2012 for Messrs. Gasser, Domowitz and Heckman, 2/23/2012 for Mr. Stevens and 2/6/2012 for Mr. Thadaney. Pursuant to the terms of the Variable Stock Compensation Program, basic and matching stock units granted to employees of ITG Canada Corp. and its subsidiaries, including Mr. Thadaney, are settled by delivery of an equivalent amount of cash instead of shares of our common stock.

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Pursuant to the terms of Mr. Heckman's Separation Agreement, all outstanding stock unit awards under the Variable Stock Compensation Program that were not already vested as of August 1, 2011 will continue to vest as if Mr. Heckman continued in employment with the company on each applicable vesting date (such vesting date being the same as the vesting dates for the U.S. named executive officers set forth in the immediately preceding paragraph) in accordance with the terms of the Variable Stock Compensation Program so long as he complies with certain restrictive covenants as further described below under *Severance and Change-in-Control Arrangements*.

(5): These units represent the nonvested portion of the restricted stock units (basic and matching stock units) granted to the named executive officers in 2010 (for the 2009 performance year) pursuant to the Variable Stock Compensation Program. The market value of these awards was determined using a per share value of the company's common stock of $10.81 (which was the closing price per share on December 31, 2011). Messrs. Gasser, Domowitz, Heckman, Stevens and Thadaney were issued 14,210, 5,033, 4,145 4,638 and 5,579 matching units, respectively, which shall vest in full on 2/23/2013 provided the named executive officer remains employed through the applicable vesting date. The remaining units disclosed represent basic units granted under the Variable Stock Compensation Program; one third of such units vested on 2/23/2012 and, provided the named executive officer remains employed through the applicable vesting date, the remainder will vest on 2/23/2013. Pursuant to the terms of the Variable Stock Compensation Program, basic and matching stock units granted to employees of ITG Canada Corp. and its subsidiaries, including Mr. Thadaney, are settled by delivery of an equivalent amount of cash instead of shares of our common stock.

Pursuant to the terms of Mr. Heckman's Separation Agreement, all outstanding stock unit awards under the Variable Stock Compensation Program that were not already vested as of August 1, 2011 will continue to vest as if Mr. Heckman continued in employment with the company on each applicable vesting date (such vesting date being the same as the vesting dates set forth in the immediately preceding paragraph) in accordance with the terms of the Variable Stock Compensation Program so long as he complies with certain restrictive covenants as further described below under *Severance and Change-in-Control Arrangements*.

(6): These units represent the restricted stock units (basic units) granted to the named executive officers in 2010 (for the 2009 performance year) pursuant to the Variable Stock Compensation Program and described as Market-based Awards in the *Compensation Discussion and Analysis*. The market value of these awards was determined using a per share value of the company's common stock of $10.81 (which was the closing price per share on December 31, 2011). Under these Market-based Awards, one third of the units will vest in equal installments on each of 2/23/2013 and 2/23/2014 so long as the named executive officer remains employed through the applicable vesting date and the 90-day average of the company's common stock price preceding each of the vesting dates is greater than the 90-day average of the company's common stock price preceding the grant date. One third of such units was forfeited on 2/23/2012 because the market-based performance criteria described in the prior sentence were not achieved.

Pursuant to the terms of Mr. Heckman's agreement, all outstanding stock unit awards under the Variable Stock Compensation Program that were not already vested as of August 1, 2011 will continue to vest as if Mr. Heckman continued in employment with the company on each applicable vesting date (such vesting dates being the same as the vesting dates set forth in the immediately preceding paragraph) in accordance with the terms of the Variable Stock Compensation Program so long as he complies with certain restrictive covenants as further described below under *Severance and Change-in-Control Arrangements*.

(7): These units represent the initial restricted stock unit award granted to Mr. Vigliotti pursuant to the terms of his offer letter. Such units will vest in full on February 1, 2013 so long as Mr. Vigliotti remains employed through such date. The market value of these awards was determined using a per share value

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of the company's common stock of $10.81 (which was the closing price per share on December 31, 2011). If Mr. Vigliotti is terminated by the company without cause, or he terminates for good reason, prior to the vesting of such award, the company will pay him in cash, within 60 days of his separation date, an amount equivalent to the then current market value of such award.

(8): These units represent the restricted stock units (basic and matching stock units) granted to the named executive officers in 2011 (for the 2010 performance year) pursuant to the Variable Stock Compensation Program. The market value of these awards was determined using a per share value of the company's common stock of $10.81 (which was the closing price per share on December 31, 2011). Messrs. Vigliotti, Domowitz, Heckman, Stevens and Thadaney were issued 4,811, 4,811, 5,345, 5,875 and 8,618 matching units, respectively, which will vest in full on 2/23/2014 provided the named executive officer remains employed through the applicable vesting date. The remaining units disclosed represent basic units granted under the Variable Stock Compensation Program; one third of such units vested on 2/23/2012 and, provided the named executive officer remains employed through the applicable vesting date, the remainder will vest in equal installments on 2/23/2013 and 2/23/2014. Pursuant to the terms of the Variable Stock Compensation Program, basic and matching stock units granted to employees of ITG Canada Corp. and its subsidiaries, including Mr. Thadaney, are settled by delivery of an equivalent amount of cash instead of shares of our common stock.

Pursuant to the terms of Mr. Heckman's Separation Agreement, all outstanding stock unit awards under the Variable Stock Compensation Program that were not already vested as of August 1, 2011 will continue to vest as if Mr. Heckman continued in employment with the company on each applicable vesting date (such vesting dates being the same as the vesting dates set forth in the immediately preceding paragraph) and were, or will be, issued to Mr. Heckman in accordance with the terms of the Variable Stock Compensation Program so long as he complies with certain restrictive covenants as further described below under *Severance and Change-in-Control Arrangements*.

(9): These restricted stock units (matching units only) held by Mr. Domowitz pursuant to the SUA Program, and the corresponding market value became fully vested on 1/17/2012. The market value of the awards was determined using a per share value of the company's common stock of $10.81 (which was the closing price per share on December 31, 2011).

(10): Pursuant to the terms of Mr. Heckman's Separation Agreement, all outstanding stock unit awards under the Variable Stock Compensation Program that were not already vested as of August 1, 2011 will continue to vest as if Mr. Heckman continued in employment with the company on each applicable vesting date in accordance with the terms of the Variable Stock Compensation Program so long as he complies with certain restrictive covenants as further described below under *Severance and Change-in-Control Arrangements*. These units represent the restricted stock units (basic units) granted to Mr. Heckman in 2011 (for the 2010 performance year) pursuant to the Variable Stock Compensation Program and described as Market-based Awards in the *Compensation Discussion and Analysis*. The market value of these awards was determined using a per share value of the company's common stock of $10.81 (which was the closing price per share on December 31, 2011). Under these Market-based Awards, one third of the units will vest in equal installments on each of 2/23/2013, 2/23/2014 and 2/23/2015 in accordance with the terms of his Separation Agreement as noted above.

PROPOSAL ON ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, or the Dodd-Frank Act, enables the company's stockholders to vote to approve, on an advisory (nonbinding) basis, the compensation of our named executive officers as disclosed in this proxy statement.

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At our 2011 annual meeting, stockholders expressed support for the compensation of our named executive officers, with approximately 78% of the votes cast for the "say-on-pay" advisory (non-binding) resolution approving our executive compensation.

As described in detail above under *Compensation Discussion and Analysis*, our executive compensation programs are designed to attract, direct, and retain our named executive officers, who are essential to our success. Under these programs, our named executive officers are rewarded for the achievement of specific annual and long-term corporate and strategic goals, and the realization of increased stockholder value. Please read the *Compensation Discussion and Analysis* beginning on page 12 for additional details about our executive compensation programs, including information about the fiscal year 2011 compensation of our named executive officers.

The compensation committee continually reviews the compensation programs for our named executive officers to ensure they achieve the desired goals of aligning our executive compensation structure with our stockholders' interests and current market practices.

We are asking our stockholders to indicate their support for our named executive officer compensation as described in this proxy statement. This proposal, commonly known as a "say-on-pay" proposal, gives our stockholders the opportunity to express their views on our named executive officers' compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this proxy statement. Accordingly, we will ask our stockholders to vote "FOR" the following resolution at the company's 2012 annual meeting of stockholders:

> "RESOLVED, that the company's stockholders approve, on an advisory basis, the compensation of the named executive officers, as disclosed in the company's proxy statement for the 2012 annual meeting of stockholders pursuant to the compensation disclosure rules of the SEC, including the *Compensation Discussion and Analysis*, the compensation tables and narrative discussion."

The say-on-pay vote is advisory, and therefore not binding on the company, the compensation committee or our board of directors. Although non-binding, our board of directors and our compensation committee value the opinions of our stockholders and we will review and consider the voting results when evaluating our executive compensation program.

Our board of directors unanimously recommends that you vote "FOR" this proposal to approve named executive compensation.

Severance and Change-in-Control Arrangements

Change-in-Control Agreements

As of December 31, 2011, the following named executive officers had change-in-control agreements with the company: Messrs. Vigliotti, Domowitz, Stevens and Thadaney. Each change-in-control agreement provides for the payment of benefits if the executive's employment is terminated within eighteen months following a change in control, either by the company not for cause (and not due to the executive's death or disability) or by the executive for good reason. In addition, if the executive's employment is terminated by the company other than for cause within six months prior to the date of a change in control and it is reasonably demonstrated that the termination arose in connection with, or in anticipation of, the change in control, the benefits set forth below will be paid to the executive.

"Good reason" is defined to include (i) a material reduction in the executive's primary functional authorities, duties or responsibilities (other than any such reduction resulting merely from an acquisition of the company and its existence as a subsidiary or division of another entity); (ii) relocation

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of the executive's principal job location of more than 35 miles; (iii) material reductions in the executive's base salary or participation in annual incentive compensation plans, other than certain across-the-board reductions; and (iv) a material breach of the change-in-control agreement by the company (including the company decreasing by more than 33% the sum of the executive's base salary and average annual bonuses for the three years immediately preceding the year of termination of employment (including any bonus amounts paid in the form of basic units awarded under the Variable Stock Compensation Program)). With respect to Mr. Vigliotti, "good reason" is defined to also include Mr. Vigliotti no longer reporting directly to the company's chief executive officer.

"Cause" is defined to include (i) the executive's willful failure to substantially perform his duties with the company (other than any as a result of the executive's disability); (ii) the executive's gross negligence in the performance of his duties which results in material financial harm to the company; (iii) the executive's conviction of, or guilty plea, to any felony or any other crime involving the personal enrichment of the executive at the expense of the company; (iv) the executive's willful engagement in conduct that is demonstrably and materially injurious to the company, monetarily or otherwise; or (v) the executive's willful material violation of any provision of the company's code of conduct.

"Change in control" is deemed to occur (i) if any person, other than the company or a person related to the company, is or becomes the beneficial owner of 35% percent or more of the total voting power of all the then-outstanding voting securities; (ii) if a majority of the members of the company's incumbent board of directors cease to be board members; (iii) upon consummation of a merger, consolidation, recapitalization, or reorganization of the company or similar transaction affecting the capital structure of the company in which the company's existing stockholders or a related person do not continue to own more than 50% of the outstanding voting securities of the surviving entity; (iv) upon consummation of the sale by the company of all or substantially all of the company's assets; or (v) if the stockholders of the company approve a plan of complete liquidation of the company.

The benefits payable are (i) base salary, together with unused accrued vacation, through the date of termination, (ii) a pro-rata bonus for the year of termination based on the average of the executive's annual bonuses for the three years immediately preceding the year of termination of employment or such shorter period during which the executive has been employed by the company and eligible to receive annual bonuses (including any bonus amounts paid in the form of basic units awarded under the Variable Stock Compensation Program), and (iii) two times the sum of the executive's annual base salary in effect immediately prior to the date of termination or the date of the change in control, whichever is higher, plus the average of the executive's annual bonuses for the three years immediately preceding the year of termination of employment (including any bonus amounts paid in the form of basic units awarded under the Variable Stock Compensation Program). Such amounts are payable in a lump sum within ten business days after the date of termination of employment. In addition, the company will continue to provide the executive and his or her dependents with health benefits and will pay to the executive an amount in cash equal to the premium cost that the company would have paid to maintain disability and life insurance coverage for the executive and his or her dependents until the earlier of the end of the two-year period following the date of termination or the date on which the executive is eligible to receive substantially comparable benefits through subsequent employment. If any payment under a change-in-control agreement is subject to an excise tax imposed by Section 4999 of the Internal Revenue Code, the amounts payable will be reduced to a level at which no amount is subject to the excise tax, provided that no reduction will be made if the net after-tax benefit, taking into account income, employment and excise taxes, to which the executive would otherwise be entitled without the reduction would be greater than the net after-tax benefit to the executive resulting from receipt of the payments with such reduction. However, in this case, the executive will be responsible for all excise tax payments. In the event of a dispute under a change-in-control agreement, the company will reimburse the executive for reasonable legal fees and expenses incurred in the dispute if the executive prevails on any material claim or defense in the dispute.

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The following table sets forth the estimated total payments, as well as each component of compensation outlined above or in the footnotes to the table below and taken into account in determining the total amounts payable in connection with a change in control, that would have been due to each of the named executive officers had a change in control and a qualifying termination of employment occurred on December 31, 2011, assuming a per share value of the company's common stock of $10.81 (which was the closing price per share on December 31, 2011).

Name	Total Cash Severance	Value of Additional Welfare Benefits(1)	Acceleration of Vesting of Stock Options and Restricted Stock Unit Awards, as applicable(2)	Reduction as a Result of Code Section 4999(3)	Total Change in Control Payments
Steven R. Vigliotti	$ 3,700,000	$ 50,715	$ 572,747		$ 4,323,462
Ian Domowitz	$ 4,237,500	$ 33,855	$ 872,422		$ 5,143,777
David J. Stevens(4)	$ 4,391,885	$ 14,555	$ 699,483	1,056,047	$ 4,049,876
Nicholas Thadaney(5)	$ 6,217,650	$ 12,555	$ 968,544	N/A	$ 7,198,749

(1) Value of additional benefits assumes benefits will be provided for a full two years, is based on current costs and does not assume increased value for future price increases or ITG providing for executive without benefit of group rates.

(2) Under the terms of the applicable award agreements, stock options, restricted stock unit awards granted under the Variable Stock Compensation Program (including Market-based Awards) and restricted SUA awards vest upon a change in control. These awards also vest upon the executive's death or disability and the restricted SUA awards vest upon the executive's retirement, which is defined as the executive's termination of employment at age 65 or after the executive has reached age 55 and has at least 10 years of service with the company. The amounts in this column reflect the spread value of options (which for 2011 was zero) and the face value of restricted stock unit awards granted under the Variable Stock Compensation Program (including Market-based Awards) and restricted SUA awards.

(3) The amounts in this column equal the difference between the individual's contractual change-in-control related benefits and the benefit level that does not trigger excise taxes for the individual. As noted above, ITG's policy reduces change-in-control related benefits to a level that does not trigger excise taxes for the individual, if such a reduction produces a higher after-tax benefit for the individual than the contractual benefits. The highest marginal federal, state and local tax rates were used in determining the after-tax value of the benefits.

(4) Mr. Stevens' total cash severance and value of additional welfare benefits were converted from GBP to USD at the following exchange rate: 0.6234 GBP:1 USD, which exchange rate represents the average rate of exchange during the 2011 fiscal year.

(5) Mr. Thadaney's total cash severance and value of additional welfare benefits were converted from CAD to USD at the following exchange rate: 0.9891 CAD:1 USD, which exchange rate represents the average rate of exchange during the 2011 fiscal year.

In the event that a change in control occurred on December 31, 2011 and there was no subsequent qualifying termination of employment, the total change-in-control payment for each named executive officer would be the amounts set forth under "Acceleration of Vesting of Stock Options and Restricted Stock Unit Awards, as applicable" above.

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Employment Agreement with Mr. Gasser

On September 15, 2006, Mr. Gasser entered into an employment agreement with the company to serve as the Chief Executive Officer and President of the company. Effective on each of August 6, 2008 and April 20, 2010, this agreement was amended and restated. The agreement provides that the term of Mr. Gasser's employment will begin on October 4, 2006 and end on December 31, 2009, with automatic one-year extensions, unless terminated earlier by either party upon 90 days written notice. The agreement provides that if his employment with the company is terminated by the company without cause (as defined below), if he terminates employment with the company for good reason (as defined below), or if the company elects not to renew the agreement, in each case, prior to a change in control (as defined below) of the company, the company will pay to Mr. Gasser an amount equal to Mr. Gasser's base salary payable through his termination date and a pro-rated portion of the bonus compensation Mr. Gasser would have actually earned for the calendar year in which his date of termination occurs (to be paid as and when bonuses are payable to other executives for that year). The company will also pay to Mr. Gasser an amount equal to the sum of (i) Mr. Gasser's base salary at the rate then in effect on the date of his termination and (ii) an amount equal to the average annual bonus paid or payable to Mr. Gasser with respect to the three calendar years immediately preceding the calendar year of his termination (including any bonus amounts paid in the form of basic units awarded under the Variable Stock Compensation Program). The portion of this amount equal to two times the dollar limit in effect under section 401(a)(17) of the Internal Revenue Code (for 2011, $245,000) for the year in which Mr. Gasser's termination occurs will be paid in installments over the 12-month period following his date of termination. The remaining amount will be paid in a lump sum within thirty (30) days following his date of termination. All outstanding equity awards held by Mr. Gasser that are not vested as of his date of termination, will continue to vest as if he had remained employed by the company through the first anniversary of his date of termination. Only performance objectives for outstanding equity awards granted, and performance periods that began, before January 2, 2009 will be deemed satisfied as of his termination date. All outstanding options held by Mr. Gasser that are vested as of the termination date will remain exercisable until the earlier of the first anniversary of Mr. Gasser's date of termination or the expiration of the option term in accordance with the terms of the company's 2007 Equity Plan, as applicable, or any successor plan thereto. Any outstanding options that vest during the one-year period following his termination date will remain exercisable until the earlier of the one-year period following the applicable vesting date or the expiration of the option term. The company will also continue to maintain and provide to Mr. Gasser and his dependants continued medical coverage at the level in effect on his date of termination for one year after his date of termination.

The following table sets forth the estimated total payments, as well as each component of compensation outlined above and taken into account in determining the total amounts payable that would have been due to Mr. Gasser had a qualifying termination of employment occurred on December 31, 2011, assuming a per share value of the company's common stock of $10.81 (which was the closing price per share on December 31, 2011).

Name	**Total Cash Severance**	**Value of Additional Medical Coverage(1)**	**Continued Vesting of Stock Options and Restricted Stock Unit Awards(2)**	**Total Severance Payments**
Robert C. Gasser	**$ 5,850,000**	**$ 21,910**	**$ 349,379**	**$ 6,221,289**

(1) Value of additional medical coverage benefits is based on current costs and does not assume increased value for future price increases or ITG providing such additional benefits without benefit of group rates.

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(2) This amount reflects the spread value of options (which for 2011 was zero) and the face value of restricted stock unit awards (including awards granted under the Variable Stock Compensation Program except for Market-based Awards) vesting during 2012.

The agreement further provides that if Mr. Gasser's employment is terminated by the company without cause (and not due to his death or permanent disability), by Mr. Gasser for good reason, or if the company elects not to renew the agreement, in each case, within eighteen months following a change in control of the company, the company will pay to Mr. Gasser severance benefits that are substantially consistent to the benefits payable to the named executive officers pursuant to the change-in-control agreements as described above. Specifically, Mr. Gasser will be entitled to the following severance payments and benefits: (i) an amount equal to Mr. Gasser's base salary payable through his termination date in accordance with the company's standard payroll practices and a pro-rated portion of the bonus compensation Mr. Gasser would have actually earned for the calendar year in which his date of termination occurs (to be paid as and when bonuses are payable to other executives for that year); and (ii) an amount (to be paid in a lump sum within ten (10) days following the date of termination) equal to two times the sum of (A) his annual base salary prior to his date of termination or the date of change in control (whichever is higher) and (B) the average annual bonus paid or payable to Mr. Gasser with respect to the three calendar years immediately preceding the calendar year of his termination (including any bonus amounts paid in the form of basic units awarded under the Variable Stock Compensation Program). Mr. Gasser will also receive continued health, dental, and vision insurance coverage and a monthly cash payment equal to the premium cost that the company would have paid to maintain disability and life insurance coverage until the earlier of the end of the two-year period following Mr. Gasser's date of termination or the date on which Mr. Gasser is eligible to receive substantially comparable benefits through subsequent employment. Mr. Gasser is also entitled to the benefits set forth in this paragraph if his employment is terminated by the company (other than for cause) within six months prior to the date of a change in control and such termination arose in connection with the change in control.

The agreement provides that if any payment, coverage or benefit provided to him is subject to the excise tax under section 4999 of the Internal Revenue Code, Mr. Gasser will have the amounts payable to him and benefits he will receive reduced so that no amounts he would receive would be subject to the excise tax under section 4999 of the Internal Revenue Code if such reduction would result in him receiving a greater amount on an after-tax basis than if no reduction had occurred. The following table sets forth the estimated total payments, as well as each component of compensation outlined above and taken into account in determining the total amounts payable in connection with a change in control, that would have been due to Mr. Gasser had a change in control and a qualifying termination of employment occurred on December 31, 2011, assuming a per share value of the company's common stock of $10.81 (which was the closing price per share on December 31, 2011).

Name	Total Cash Severance	Value of Additional Welfare Benefits(1)	Acceleration of Vesting of Stock Options and Restricted Stock Unit Awards, as applicable(2)	Total Change in Control Payments
Robert C. Gasser	$ 9,450,000	$ 50,715	$ 1,143,007	$ 10,643,722

(1) Value of additional benefits assumes benefits will be provided for a full two years, is based on current costs and does not assume increased value for future price increases or ITG providing for executive without benefit of group rates.

(2) Under the terms of the applicable award agreements, stock options and restricted stock unit awards granted under the Variable Stock Compensation Program (including Market-based Awards)

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vest upon a change in control. These awards also vest upon the executive's death or disability. The amounts in this column reflect the spread value of options (which for 2011 was zero) and the face value of restricted stock unit awards granted under the Variable Stock Compensation Program (including Market-based Awards).

In the event that a change in control occurred on December 31, 2011 and there was no subsequent qualifying termination of employment, the total change-in-control payment for Mr. Gasser would be the amount set forth under "Acceleration of Vesting of Stock Options and Restricted Stock Units Awards, as applicable" above.

All severance benefits are conditioned on Mr. Gasser's execution and non-revocation of a release.

If Mr. Gasser's employment is terminated on account of his death, permanent disability, voluntary resignation other than for good reason or by the company for cause, Mr. Gasser will be entitled to receive only his base salary through his date of termination, reimbursement of all reimbursable expenses incurred by him prior to such termination, and all other accrued, but unpaid benefits under the company's benefit plans and programs. In addition, if Mr. Gasser's employment is terminated on account of his death or permanent disability, all outstanding equity awards held by Mr. Gasser as of the date of termination will become fully vested and exercisable (and any performance objectives applicable to awards will be deemed satisfied as of the date of termination) in accordance with the terms of the company's 2007 Equity Plan, as applicable, or any successor plan thereto.

The agreement provides that during the term of Mr. Gasser's employment with the company, and for the one-year period after Mr. Gasser's termination of employment, Mr. Gasser cannot (i) compete with the company, (ii) solicit in any way the employees of the company to terminate their employment, or (iii) solicit in any way the customers, suppliers, clients, brokers, licensees or other business relations of the company to cease doing business with the company.

Prior to a change in control, "good reason" is defined to include (i) the material diminution of Mr. Gasser's duties, responsibilities, powers or authorities; (ii) the removal of Mr. Gasser from his office as Chief Executive Officer; (iii) the failure to obtain a written assumption of the employment agreement by any person acquiring all or substantially all of the assets of the company; (iv) a material reduction by the company of Mr. Gasser's salary, (v) the company does not renew the term of the agreement; (vi) material breach by the company of its obligations under the terms of the agreement or (vii) relocation of Mr. Gasser's principal place of business to a location more than fifty (50) miles from its current location. On or after a change in control, "good reason" means, (i) (A) the removal of Mr. Gasser from his office as Chief Executive Officer or (B) a material reduction of his primary functional authorities, duties, or responsibilities as President and Chief Executive Officer of the company from those in effect immediately prior to the change in control or the assignment of duties to him inconsistent with those of President and Chief Executive Officer of the company; (ii) the company's requiring Mr. Gasser to be based at a location in excess of fifty (50) miles from the location of his principal job location or office immediately prior to the change in control; (iii) a material reduction of Mr. Gasser's salary unless such reduction applies on substantially the same percentage basis to all company employees generally; (iv) a material reduction in Mr. Gasser's participation in any of the company's annual incentive compensation plans in which he participates prior to the change in control unless such reduction applies to all plan participants generally; (v) the failure of the company to obtain the assumption of the obligations contained herein by any successor; (vi) material breach by the company of its obligations under the terms of the agreement (including the company decreasing by more than 33% the sum of the executive's base salary and average annual bonuses for the three years immediately preceding the year of termination of employment (including any bonus amounts paid in the form of basic units awarded under the Variable Stock Compensation Program)); or (vii) the company does not renew the term of the agreement.

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"Cause" is defined to include (i) Mr. Gasser's willful failure to substantially perform his duties with the company; (ii) gross negligence in the performance of Mr. Gasser's duties which results in material financial harm to the company; (iii) Mr. Gasser's conviction of, or guilty plea to, any crime involving his personal enrichment at the expense of the company, or any felony; (iv) Mr. Gasser's willful engagement in conduct that is demonstrably and materially injurious to the company, monetarily or otherwise; or (v) Mr. Gasser's willful violation of any material provision of the company's code of conduct.

"Change in control" is deemed to occur (i) if any person, other than the company or a person related to the company, is or becomes the beneficial owner of 35% percent or more of the total voting power of all the then-outstanding voting securities; (ii) if a majority of the members of the company's incumbent board of directors cease to be board members; (iii) upon consummation of a merger, consolidation, recapitalization, or reorganization of the company or similar transaction affecting the capital structure of the company in which the company's existing stockholders or a related person do not continue to own more than 50% of the outstanding voting securities of the surviving entity; (iv) upon consummation of the sale by the company of all or substantially all of the company's assets; or (v) if the stockholders of the company approve a plan of complete liquidation of the company.

Employment Arrangement with Mr. Domowitz

The company presented Mr. Domowitz with an offer letter on March 16, 2001. Pursuant to the terms of the offer letter, if Mr. Domowitz's employment is terminated for any reason and the company elects to prohibit Mr. Domowitz, for a period of twelve months after he leaves the company, from engaging in any business, or any business in competition with the business carried on by the company, then the company will continue to pay Mr. Domowitz his then current base salary and bonus during the twelve-month period immediately following his termination of employment. The following table sets forth the estimated total payments that would have been due to Mr. Domowitz had a qualifying termination of employment occurred on December 31, 2011.

Name	Total Cash Severance	Total Severance Payments
Ian Domowitz	**$ 1,100,000**	**$ 1,100,000**

Offer Letter with Mr. Stevens

The company presented Mr. Stevens with an offer letter on August 18, 2011. Pursuant to the terms of the offer letter, if Mr. Stevens' employment is terminated by the company without cause (as defined in Mr. Stevens' change in control agreement) (and not due to his death or disability or in connection with a change in control) at any time prior to October 1, 2014, the company will pay to Mr. Stevens an amount equal to (i) Mr. Stevens' base salary and housing allowance payable through his termination date and (ii) a pro-rata bonus for the year of termination based on the average of his annual bonuses for the three years immediately preceding the year of termination of employment (including any bonus amounts paid in the form of basic units awarded under the Variable Stock Compensation Program). The company will also pay to Mr. Stevens an amount equal to the sum of (a) Mr. Stevens' base salary at the rate then in effect immediately prior to the date of termination and (b) the average of the Mr. Stevens' annual bonuses for the three years immediately preceding the year of termination of employment (including any bonus amounts paid in the form of basic units awarded under the Variable Stock Compensation Program).

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The following table sets forth the estimated total payments that would have been due to Mr. Stevens had a qualifying termination of employment occurred on December 31, 2011.

Name	Total Cash Severance	Total Severance Payments
David Stevens	$ 2,756,478	$ 2,756,478

Agreement with Christopher Heckman

As previously disclosed, on August 8, 2011, the company and Mr. Heckman entered into an agreement (the "Separation Agreement") pursuant to which they mutually agreed that, effective August 1, 2011 (the "Separation Date"), Mr. Heckman resigned from all of his positions with the company and its subsidiaries. In consideration for Mr. Heckman's execution and non-revocation of the Separation Agreement and agreement to certain restrictive covenants, the company agreed to pay Mr. Heckman a separation payment of $2,187,500 to be paid in installments over the 12-month period following the Separation Date. In addition, Mr. Heckman will continue to be covered under the company's group health plan at the company's sole expense until July 31, 2012 or, if earlier, until Mr. Heckman commences full-time employment at another firm. All outstanding stock options held by Mr. Heckman that were not vested and exercisable (to the extent applicable) as of the Separation Date were forfeited and automatically terminated. All stock options that were vested as of the Separation Date remained exercisable for sixty (60) days. In addition, subject to Mr. Heckman's compliance with the terms of the Separation Agreement, all outstanding stock unit awards under the company's Variable Stock Compensation Program that were not already vested as of the Separation Date will continue to vest as if Mr. Heckman continued in employment with the company on each applicable vesting date in accordance with the terms of the Variable Stock Compensation Program, provided that he continues to comply with certain provisions in the Separation Agreement.

Director Compensation

Each of our non-employee directors, other than our Chair, receives an annual retainer of $60,000, payable in quarterly installments. Our Chair receives an annual retainer of $160,000, payable in quarterly installments. Under our Amended and Restated Directors' Retainer Fee Subplan, adopted in 2002, the annual retainer fee is payable, at the election of each director, either in (i) cash, (ii) ITG common stock with a value equal to the retainer fee on the grant date, or (iii) under a deferred compensation plan which provides deferred share units with a value equal to the retainer fee on the grant date which convert to freely sellable shares when the director retires from our board of directors. Directors who are our employees are not compensated for serving as directors.

Each non-employee director also receives fees of $1,000 for attendance at each regular meeting of the board of directors and $2,000 for any special board meetings. Board committee chair annual retainers are $20,000 for the audit committee chair, $7,000 for the compensation committee chair, and $5,000 for all other board committee chairs. All committee members receive $1,000 for attendance at each meeting of a committee of the board of directors. Directors of the company are also reimbursed for out-of-pocket expenses.

Under our Amended and Restated Directors' Equity Subplan adopted in January 2006, we will grant newly appointed non-employee directors stock options valued at $100,000 and restricted stock unit awards valued at $100,000 at, or shortly after, the time of appointment to the board of directors. In addition, non-employee directors will be granted stock options valued at $36,000 and restricted stock units valued at $36,000 annually, on the forty-fifth day following each of our annual meetings of stockholders. These options are granted with an exercise price per share equal to 100% of the fair market value of a share of our common stock on the NYSE on the date of grant. Such options expire at the earliest of (1) five years after the date of grant, (2) 12 months after death, disability or

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retirement after reaching age 65 and (3) 60 days after an optionee ceases to serve as a director for reasons other than death, disability or such retirement. Options and restricted stock units vest and become exercisable in equal installments on the first, second and third anniversaries of the date of grant. Vesting accelerates upon a change in control of the company or if the director ceases to serve as a non-employee director due to his or her death or disability. Only directors who are not our employees are eligible to participate in this plan.

Each director may participate in our Charitable Gifts Matching Program pursuant to which we match 100% of the charitable contributions made by such directors up to a maximum dollar amount of $2,000 per person per year.

The board adopted stock ownership guidelines for our nonemployee directors effective January 1, 2006 in order to more closely align their interests with the long-term interests of our stockholders. Under the guidelines, nonemployee directors are required to beneficially own shares of our common stock and company restricted share units (both vested and unvested) having an aggregate value of at least three times the annual cash retainer of the individual director. Stock ownership must be achieved by each director by January 1, 2009 or, in the case of directors first elected or appointed to the board of directors after January 1, 2006, within three years after the director's first election or appointment to the board.

To ensure achievement of the ownership goals, directors who have not yet attained the required level of ownership must elect to receive at least one-half of the director's annual cash retainer in the form of common stock or deferred share units until such time as the stock ownership levels have been satisfied. The following table sets forth the total director compensation in 2011, as well as each component of compensation outlined above.

Name	**Fees earned or paid in cash ($)(1)(3)**	**Stock Awards ($)(2)(3)**	**Option Awards ($)(2)(3)**	**Total ($)**
(a)	**(b)**	**(c)**	**(d)**	**(e)**
J. William Burdett	100,500	36,000	36,000	172,500
Minder Cheng	77,021	36,000	36,000	149,021
Christopher V. Dodds	104,050	36,000	36,000	176,050
Timothy L. Jones	96,012	36,000	36,000	168,012
Maureen O'Hara	203,540	36,000	36,000	275,540
Kevin J.P. O'Hara	96,012	36,000	36,000	168,012
Steven S. Wood	92,012	36,000	36,000	164,012

(1) The amounts shown in column (b) include the annual retainers earned by each director and meeting attendance fees. The following directors elected to receive their annual retainer in deferred ITG common stock: Ms. O'Hara and Messrs. Jones, O'Hara and Wood. Mr. Cheng elected to receive his annual retainer in ITG common stock with a value equal to the retainer fee on the grant date.

(2) The amounts shown in columns (c) and (d) represent the aggregate grant date fair value of restricted stock unit awards and options awarded to each of the directors, as determined pursuant to FASB ASC Topic 718. The fair value of the option awards and stock awards for 2011 was determined using the valuation methodology and assumptions set forth in Note 2 to the company's consolidated financial statements included in the company's Annual Report on Form 10-K for the fiscal year ended December 31, 2011, which are incorporated herein by reference.

(3) The following chart shows (a) the annual option and restricted stock units granted to each of the directors and (b) any deferred share units received as payment for the 2011 annual retainer fee (or with respect to Mr. Cheng, any shares of ITG common stock received as payment for his 2011 annual retainer fee), together with the fair value of such awards:

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Name	Grant Date	Number of Options(a)	Number of Units(a)	Fair Value at date of grant
J. William Burdett	7/29/11	8,533		$ 36,000
	7/29/11		2,959	$ 36,000
Minder Cheng	7/29/11	8,533		$ 36,000
	7/29/11		2,959	$ 36,000
	1/3/11		907(b)	$ 15,000
	4/1/11		801(b)	$ 15,000
	7/1/11		1,070(b)	$ 15,000
	10/3/11		1,624(b)	$ 15,000
Christopher V. Dodds	7/29/11	8,533		$ 36,000
	7/29/11		2,959	$ 36,000
Timothy L. Jones	7/29/11	8,533		$ 36,000
	7/29/11		2,959	$ 36,000
	1/3/11		907(b)	$ 15,000
	4/1/11		801(b)	$ 15,000
	7/1/11		1,070(b)	$ 15,000
	10/3/11		1,624(b)	$ 15,000
Maureen O'Hara	7/29/11	8,533		$ 36,000
	7/29/11		2,959	$ 36,000
	1/3/11		2,419(b)	$ 40,000
	4/1/11		2,136(b)	$ 40,000
	7/1/11		2,854(b)	$ 40,000
	10/3/11		4,330(b)	$ 40,000
Kevin J.P. O'Hara	7/29/11	8,533		$ 36,000
	7/29/11		2,959	$ 36,000
	1/3/11		907(b)	$ 15,000
	4/1/11		801(b)	$ 15,000
	7/1/11		1,070(b)	$ 15,000
	10/3/11		1,624(b)	$ 15,000
Steven S. Wood	7/29/11	8,533		$ 36,000
	7/29/11		2,959	$ 36,000
	1/3/11		907(b)	$ 15,000
	4/1/11		801(b)	$ 15,000
	7/1/11		1,070(b)	$ 15,000
	10/3/11		1,624(b)	$ 15,000

(a) As of December 31, 2011, Mr. Burdett, Mr. Cheng, Mr. Dodds, Mr. Jones, Ms. O'Hara, Mr. O'Hara and Mr. Wood had, in the aggregate, 23,949, 27,344, 26,185, 23,949, 23,949, 30,180 and 29,864 stock options outstanding, respectively. As of December 31, 2011, Mr. Burdett, Mr. Cheng, Mr. Dodds, Mr. Jones, Ms. O'Hara, Mr. O'Hara and Mr. Wood had, in the aggregate, 4,932, 7,171, 4,932, 4,932, 4,932, 4,932 and 8,289 restricted share units outstanding, respectively. As of December 31, 2011, Mr. Jones, Ms. O'Hara, Mr. O'Hara and Mr. Wood had, in the aggregate, 16,823, 35,494, 13,443 and 6,380 deferred share units outstanding, respectively.

(b) The amounts shown represent the deferred share units (or, with respect to Mr. Cheng, shares of ITG common stock) received as payment for the 2011 annual retainer fee under the Amended and Restated Directors' Retainer Fee Subplan.

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CORPORATE GOVERNANCE

Board Meetings; Committees; and Director Nominations Process

Our board of directors held seven regular meetings and seven special meetings during 2011. In addition, there were a total of 21 committee meetings in 2011. Each member of the board of directors attended at least 75% of the aggregate of (a) the total number of meetings of the board of directors held during fiscal year 2011 and (b) the total number of meetings held by all committees of the board of directors on which such director served during fiscal year 2011. Board members are expected to attend our annual stockholders' meetings. At our 2011 annual stockholders' meeting, all members of the board of directors and nominees for election to the board were present. Our non-management directors meet regularly in executive sessions without any management directors present. Our Chair, Ms. O'Hara, presided over such executive sessions in 2011. Our board of directors has an audit committee, a compensation committee, a nominating and corporate governance committee and a technology committee. Each committee of the board of directors is authorized to obtain advice and assistance from internal or external legal, accounting or other advisors as it determines necessary to carry out its duties and any expenses in connection with such advice or assistance will be borne by the company.

The current audit committee members are Mr. Dodds (Chair), Mr. Jones, Mr. O'Hara and Ms. O'Hara. The audit committee is appointed by the board to be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged by the company for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the company and for assisting the board in oversight of (1) the integrity of the financial statements of the company, (2) the compliance by the company with legal and regulatory requirements, (3) the independent registered public accounting firm's qualifications and independence and (4) the performance of the company's internal audit function and independent auditors. These functions are described more fully under "Report of the Audit Committee." Our board of directors has determined that Mr. Dodds, Chair of the audit committee, is a "financial expert" as defined in the Exchange Act. During 2011, there were eight meetings of the audit committee.

The current compensation committee members are Mr. Burdett (Chair), Mr. O'Hara, Ms. O'Hara and Mr. Wood. As determined by the board, all four directors meet the independence requirements of the NYSE. In addition, each director serving on the compensation committee (1) is a "non-employee director" for purposes of Rule 16b-3 under the Exchange Act and (2) satisfies the requirements of an "outside director" for purposes of Section 162(m) of the Internal Revenue Code. No compensation committee member is either a current or former employee of the company. In addition, none of our executive officers serves as a member of the board of directors or compensation committee of any other company that has one or more executive officers serving as a member of our board or compensation committee. The compensation committee is appointed by the board to discharge its responsibilities relating to compensation of our directors and executive committee members. The compensation committee has overall responsibility for approving and evaluating the director and executive officer compensation plans, policies and programs as further described below. During 2011, there were nine meetings of the compensation committee.

The current nominating and corporate governance committee members are Ms. O'Hara (Chair), Mr. Burdett, Mr. Cheng and Mr. Dodds. The nominating and corporate governance committee is appointed by the board (1) to identify individuals qualified to become board members, and to select, or to recommend that the board select, the director nominees for the next annual meeting of stockholders, (2) to develop and recommend to the board the corporate governance guidelines applicable to the company, (3) to oversee a review of the board's and its committees' performance and of management's performance with respect to the corporate governance of the company and (4) to recommend to the

board director nominees for chairman and membership appointments for each committee, including the nominating and corporate governance committee.

The nominating and corporate governance committee's process for identifying candidates includes seeking recommendations from one or more of the following: current and retired directors and senior executives of the company; firms that specialize in identifying director candidates (which firm may earn a fee for its services paid by the company); persons known to directors of the company in accounting, legal and other professional service organizations or educational institutions; and, subject to compliance with applicable procedures, stockholders of the company. When the nominating and corporate governance committee reviews a potential new candidate, the committee looks specifically at the candidate's qualifications in light of the needs of the board and the company at that time, given the then-current mix of director attributes. In particular, the committee's process for evaluating candidates includes investigation of the person's specific experiences and skills, age, international versus domestic background, time availability in light of commitments, legal and regulatory requirements, potential conflicts of interest and independence from management and the company. The nominating and corporate governance committee also considers diversity in identifying nominees for director and endeavors to have a board representing diverse experience in areas that will contribute to our board's ability to perform its roles relating to oversight of the company's business, strategy and risk exposure. Without limiting the generality of the preceding sentence, the nominating and corporate governance committee takes into account, among other things, the diversity of business, leadership and personal experience of board candidates and determines how that experience will serve the best interests of the company.

Candidates recommended by a stockholder are evaluated in the same manner as are other candidates. We did not receive any recommendations from stockholders of the company for director nominees for the 2012 annual meeting. Stockholders who wish to submit nominees for director consideration by the nominating and corporate governance committee may do so by submitting such nominees' names in writing, in compliance with the procedures and along with the other information required by our by-laws, to Investment Technology Group, Inc., Attn: Corporate Secretary, 380 Madison Avenue, 4th Floor, New York, New York 10017.

During 2011, there were two meetings of the nominating and corporate governance committee. The nominating and corporate governance committee operates under a charter, which is available on our website at *www.itg.com/corporate-governance/*.

The current technology committee members are Mr. Jones (Chair), Mr. Burdett, Mr. Cheng and Mr. Wood. The technology committee members are appointed by the board to review and assess the development of our technology and to advise the board and management on matters involving our technology and the acquisition of technology. During 2011, there were two meetings of the technology committee.

Board Leadership Structure and Risk Oversight

Our board of directors has determined that having an independent director serve to chair the board is in the best interest of stockholders at this time. The structure ensures a greater role for the independent directors in the oversight of the company and active participation of the independent directors in setting agendas and establishing priorities and procedures for the work of the board of directors.

The board, including through its committees, is actively involved in oversight of the risks that could affect the company. Our audit committee discusses major financial risk exposures and how management monitors and controls such exposures, while our evaluation of any risk arising from our compensation policies and practices is conducted primarily by our compensation committee. It is the full board of directors, however, that has retained responsibility for general oversight of risks. The board satisfies this

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responsibility through full reports by each committee chair regarding the committee's considerations and actions, as well as through reports from officers responsible for oversight of particular risks within the company. In addition, the board reviews, at least annually, the status of the major risks facing the company together with management's mitigation efforts related to those risks. We believe that our board leadership structure facilitates careful oversight of risk to the company.

The Compensation Committee

The compensation committee has overall responsibility for approving and evaluating our compensation plans, policies and programs for our directors and key executives. Members of the compensation committee are appointed by the board, on the recommendation of the nominating and corporate governance committee. The compensation committee members may be removed and replaced by the board.

The compensation committee operates under a charter, which is available on our website at *www.itg.com/corporate-governance/*.

The compensation committee's authority and responsibilities include the following:

- Annually (and, with respect to directors, periodically) review and make recommendations to the board with respect to the compensation programs of all directors and the executive committee (including each of the named executive officers), including incentive compensation plans and equity-based plans.
- Annually review and approve, for our Chief Executive Officer and the other executive committee members:
  - The annual base salary level;
  - The annual incentive opportunity level;
  - The long-term incentive opportunity level;
  - Employment agreements, severance arrangements and change-in-control agreements/provisions, as appropriate; and
  - Any special or supplemental benefits, as appropriate.
- Exercise the sole authority to retain and terminate any compensation consultant to be used to assist in the evaluation of directors, the Chief Executive Officer and other executive compensation, including sole authority to approve any compensation consultant's fees and other retention terms.
- Exercise the authority to obtain advice and assistance from internal or external legal, accounting or other advisors as it determines necessary to carry out its duties.
- Annually review and approve corporate goals and objectives relevant to Chief Executive Officer compensation, evaluate the Chief Executive Officer's performance in light of these goals and objectives, report the results of such evaluation to the board, and set the Chief Executive Officer's compensation levels based on this evaluation.

The company's executives prepared agendas for each meeting in consultation with the compensation committee's chair. Compensation committee members generally received agendas and discussion materials in advance.

In December 2007, the compensation committee engaged McLagan as a compensation consultant. The compensation committee retains the sole ability to hire and fire the consultant and considers the consultant to be independent. At the direction of the company, services provided by McLagan included

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top management peer group analysis, review of compensation philosophy, competitive compensation benchmarking for the company's executive committee, industry research on competitive design of compensation programs, presentation and analysis of compensation design alternatives and other technical advice. The consultants did not provide recommendations on compensation decisions for individual executive committee members.

At the compensation committee's request, from time to time members of management attend portions of compensation committee meetings. During 2011, they included the Chief Executive Officer, Chief Financial Officer, General Counsel and Head of Human Resources. On an annual basis, the Chief Executive Officer presents a summary of his performance appraisal of each member of our executive committee, along with his compensation recommendations.

At each compensation committee meeting, the compensation committee had the opportunity to call for an executive session. No members of management, consultants or other outsiders attended executive sessions, except, in some circumstances, McLagan. Among other topics, discussions and decisions regarding Chief Executive Officer compensation took place during these executive sessions.

Code of Ethics

Our board of directors has adopted a Code of Business Conduct and Ethics governing the conduct of our directors, officers and employees, including our chief executive officer, chief financial officer and principal accounting officer. A copy of the Code of Business Conduct and Ethics is available on our website at *www.itg.com/corporate-governance/*. We intend to disclose future amendments to, or waivers from, the Code of Business Conduct and Ethics on our website within four business days following the date of any such amendment or waiver.

Compensation Committee Interlocks and Insider Participation

During 2011, the members of the compensation committee were J. William Burdett (Chair), Kevin J. P. O'Hara, Maureen O'Hara and Steven S. Wood. The compensation committee was, and continues to be, comprised entirely of independent directors.

NYSE Certification

The Chief Executive Officer of ITG made an unqualified certification to the NYSE with respect to the firm's compliance with the NYSE corporate governance listing standards in July of 2011.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In 2007, the board adopted a written policy on Procedures for the Review of Related Person Transactions which was amended in early 2011. Under this policy, each director, director nominee and executive officer of the company is required to notify the company's General Counsel in writing of any direct or indirect material interest that such person or an immediate family member has in a Related Person Transaction (as defined below). The General Counsel shall submit to the audit committee (or any designated member) the Related Person Transaction for review and the audit committee (or any designated member) shall approve or disapprove the Related Person Transaction.

A "Related Person Transaction" means any transaction (1) which is currently proposed, or has been in effect at any time since the beginning of the company's most recent fiscal year in which the company was or is to be a participant, (2) the amount of which exceeds $120,000 and (3) in which a related person (as defined in the policy and which includes a director, director nominee or executive officer of the company or any of their immediate family members) has or will have a direct or indirect material interest. The types of transactions that are covered by this policy include: legal, investment banking, consulting, or management services provided to the company by a related person or a business

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entity with which the related person is affiliated; sales, purchases and leases of real or personal property between the company and a related person or a business entity with which a related person is affiliated; contributions by the company to a civic or charitable organization for which a related person serves as an executive officer; or indebtedness or guarantees of indebtedness involving the company and a related person or a business entity with which the related person is affiliated.

The standards to be applied pursuant to this policy in determining approval include whether the Related Person Transaction is fair and reasonable to the company and consistent with the best interests of the company, the business purpose of the transaction, whether the transaction is entered into on an arms-length basis on terms fair to the company, whether the transaction is in the ordinary course of the company's business, whether such a transaction would violate any provisions of the company's Code of Business Conduct and Ethics and the effect of the transaction on the company's business and operations. All Related Person Transactions are required to be disclosed to the audit committee of the company's board of directors and any material Related Person Transaction is required to be disclosed to the full board of directors.

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SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGERS

The following table sets forth certain information, as of April 1, 2012 (unless otherwise indicated), regarding beneficial ownership of our common stock by (1) each director, (2) each named executive officer, (3) all current directors and executive officers as a group and (4) each person known by us to beneficially own 5% or more of our common stock. For the purpose of this table, a person or group of persons is deemed to have "beneficial ownership" of any shares which such person or group has the right to acquire within 60 days after April 1, 2012, but such shares are not deemed to be outstanding for the purposes of computing the percentage ownership of any other person. Unless otherwise indicated in a footnote and subject to applicable community property and similar statutes, each stockholder listed as the beneficial owner of the shares possesses sole voting and dispositive power with respect to such shares. The mailing address of the parties listed below is our principal business address unless otherwise indicated.

Directors	**Shares of ITG Common Stock Beneficially Owned**		**Percentage of ITG Common Stock Beneficially Owned**
Robert C. Gasser.	284,974	(1,2,4)	*
J. William Burdett	41,447	(1,2)	*
Minder Cheng	21,778	(1,2)	*
Christopher V. Dodds	26,829	(1,2)	*
Timothy L. Jones	37,686	(1,2,3)	*
Kevin J.P. O'Hara	35,835	(1,2,3)	*
Maureen O'Hara	80,592	(1,2,3)	*
Steven S. Wood	29,019	(1,2,3)	*
Named Executive Officers (Other than Mr. Gasser)			
Ian Domowitz	144,915	(1,2)	*
David J. Stevens	84,238	(1,2)	*
Nicholas Thadaney	33,182	(1)	*
Steven R. Vigliotti	71,917	(2)	*
All current directors and executive officers as a group (17 persons)	1,308,236	(1,2,3,4)	3.29%
5% stockholders			
BlackRock, Inc.	3,698,304	(5)	9.53%
Third Avenue Management LLC	3,485,122	(6)	8.98%
Franklin Resources, Inc.	3,305,660	(7)	8.52%
FMR LLC	2,687,853	(8)	6.93%
The Vanguard Group, Inc.	2,175,523	(9)	5.61%

* Less than 1%.

(1) Beneficial ownership includes stock options that are exercisable at April 1, 2012, or within 60 days thereafter, as follows: Mr. Gasser: 124,584; Mr. Burdett: 10,136; Mr. Cheng: 6,270; Mr. Dodds: 12,372; Mr. Jones: 10,136; Mr. O'Hara: 10,136; Ms. O'Hara: 10,136; Mr. Wood: 12,322; Mr. Domowitz: 16,190; Mr. Stevens: 14,608; Mr. Thadaney: 12,901; and all current directors and executive officers as a group: 268,933.

(2) Beneficial ownership includes time-based restricted stock unit awards including those granted under our Variable Stock Compensation Program, as follows: Mr. Gasser: 103,369; Mr. Burdett: 4,932; Mr. Cheng: 7,171; Mr. Dodds: 4,932; Mr. Jones: 4,932; Mr. O'Hara: 4,932; Ms. O'Hara: 4,932; Mr. Wood: 6,312; Mr. Domowitz: 51,727; Mr. Stevens: 69,630; Mr. Vigliotti: 66,792; and all current directors and executive officers as a group: 575,964.

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(3)
Beneficial ownership includes deferred share units as follows: Mr. Jones: 18,162; Mr. O'Hara: 14,782; Ms. O'Hara: 39,063; Mr. Wood: 9,696; and all directors as a group: 81,703.

(4)
Beneficial ownership includes 400 shares of common stock held in UTMA custodial accounts on behalf of Mr. Gasser's children.

(5)
Information regarding the number of shares beneficially owned is as of December 30, 2011 and was derived from a Schedule 13G filed on February 9, 2012, as amended, by BlackRock, Inc. in its capacity as a parent holding company. The percentage of the outstanding class is calculated based on outstanding shares at April 1, 2012. The address of BlackRock, Inc. is 40 East 52nd Street, New York NY 10022.

(6)
Information regarding the number of shares beneficially owned is as of December 31, 2011 and was derived from a Schedule 13G filed on February 14, 2012 by Third Avenue Management LLC in its capacity as an investment adviser. Third Avenue Management has sole voting power over 3,477,697 shares of our common stock. The percentage of the outstanding class is calculated based on outstanding shares at April 1, 2012. The address of Third Avenue Management LLC is 622 Third Avenue, 32nd Floor, New York, NY 10017.

(7)
Information regarding the number of shares beneficially owned is as of December 31, 2011 and was derived from a Schedule 13G filed on February 8, 2012 by Franklin Resources, Inc. ("FRI"), in its capacity as a parent holding company, Charles B. Johnson, Rupert H. Johnson, Jr. and Franklin Templeton Investments Corp. ("FTIC"). According to the 13G, each reporting person is the beneficial owner of the shares listed in the table above, but only FTIC reports having sole voting power and sole dispositive power over the 3,305,660 shares, with the other reporting persons having no sole or shared voting or dispositive power over the shares. The 13G states that the shares are beneficially owned by one or more investment companies or other managed accounts that are investment management clients of investment managers that are direct and indirect subsidiaries of FRI, and that Messrs. Johnson and Johnson are principal shareholders of FRI. The percentage of the outstanding class is calculated based on outstanding shares at April 1, 2012. The address of the reporting persons other than FTIC is One Franklin Parkway, San Mateo, CA 94403, and the address of FTIC is 200 King Street West, Suite 1500, Toronto, Ontario, Canada M5H 3T4.

(8)
Information regarding the number of shares beneficially owned is as of December 31, 2011 and was derived from a Schedule 13G filed on February 14, 2012 by FMR LLC ("FMR"), in its capacity as a parent holding company, and Edward C. Johnson 3d. According to the 13G, FMR has sole voting power over 1,418,116 shares and sole dispositive power over 2,687,853 shares. According to the 13G, Mr. Johnson also beneficially owns the 2,687,853 shares. The 13G indicates that Mr. Johnson has no voting power over any shares and has sole dispositive power over 2,687,853 shares. The 13G states that Mr. Johnson and members of his family, through their ownership of voting common shares of FMR and the execution of a shareholders' voting agreement, may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR. The percentage of the outstanding class is calculated based on outstanding shares at April 1, 2012. FMR's and Mr. Johnson's address is 82 Devonshire Street, Boston, MA 02109.

(9)
Information regarding the number of shares beneficially owned is as of December 31, 2011 and was derived from a Schedule 13G filed on February 8, 2012, as amended, by The Vanguard Group, Inc. in its capacity as an investment adviser. The Vanguard Group, Inc. has sole voting power over 66,358 shares of our common stock, sole dispositive power over 2,109,165 shares of our common stock, and shared dispositive power over 66,358 shares of our common stock. The percentage of the outstanding class is calculated based on outstanding shares at April 1, 2012. The address of The Vanguard Group, Inc. is 100 Vanguard Blvd., Malvern, PA 19355.

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EQUITY COMPENSATION PLAN INFORMATION

The following table provides information as of December 31, 2011 with respect to the shares of common stock that may be issued to our employees and directors under our existing equity compensation plans.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights(b)	Number of Securities Remaining Available for Future Grants Under Equity Compensation Plans(c)
Equity compensation plans approved by security holders(a)	3,143,437	$ 4.57	2,752,606
Equity compensation plans not approved by security holders(d)	848,221		
Total	3,991,658	$ 3.60	2,752,606

(a) Consists of the 2007 Equity Plan (including its subplans) and the ITG Employee Stock Purchase Plan (the "ITG ESPP").

(b) The weighted average exercise price of outstanding options only (and not warrants and rights) issued pursuant to equity compensation plans approved by security holders is $27.27.

(c) Shares remaining available for future issuance under the various plans include (i) 2,443,075 securities to be issued pursuant to the 2007 Equity Plan and (ii) 309,531 securities to be issued pursuant to the ITG ESPP.

(d) Consists of (a) 545,816 shares of company common stock that may be issued under stand-alone time- and performance-based vesting stock unit award agreements entered into as a material inducement of employment with the company to certain employees of Majestic Research Corp. ("Majestic") in connection with the company's acquisition of Majestic on October 25, 2010 and pursuant to Section 303A.08 of the NYSE Listed Company Manual and (b) 302,405 shares of company common stock that may be issued under stand-alone time-based vesting stock unit award agreements entered into as a material inducement of employment with the company to certain employees of Ross Smith Energy Group, Ltd. ("RSEG") in connection with the company's acquisition of RSEG on June 3, 2011 and pursuant to Section 303A.08 of the NYSE Listed Company Manual.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Securities Exchange Act requires our directors and executive officers, and persons who beneficially own more than 10% of our outstanding common stock, to file with the SEC initial reports of beneficial ownership and reports of changes in beneficial ownership of our common stock and other equity securities of our company. Directors, executive officers and greater than 10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based on a review of the copies of the forms furnished to us and written representations from our executive officers and directors, all persons subject to the reporting requirements of Section 16(a) otherwise filed the required reports with respect to 2011 on a timely basis, except that, due to administrative errors, Form 4 reports relating to (a) the settlement of restricted stock units granted pursuant to the SUA Program for Messrs. Domowitz, Goebels, Heckman and Meitz, in addition to our corporate controller, (b) the settlement of restricted stock units granted pursuant to the Variable Stock Compensation Program for Mr. Thadaney, (c) the settlement of restricted stock units granted pursuant to the Variable Stock Compensation Program for Messrs. Boardman (representing two transactions) and Thadaney and (d) the settlement of restricted stock units granted pursuant to the 2007 Equity Plan

for Mr. Boardman, were filed late on January 20, 2011, February 25, 2011, March 11, 2011 and February 10, 2012, respectively.

REPORT OF THE AUDIT COMMITTEE

At the time of this report, the audit committee of ITG's board of directors was composed of four non-employee directors. The board of directors determined during 2011 that each of those directors satisfied independence requirements, financial literacy and other criteria established by NYSE listing standards. Our audit committee charter is available on our website at *www.itg.com/corporate-governance/*. This charter complies with requirements imposed upon audit committees under the Sarbanes-Oxley Act and under the NYSE listing standards.

The audit committee is directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged by ITG for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the company and to assist the board in oversight of (1) the integrity of the financial statements of the company, (2) the compliance by the company with legal and regulatory requirements, (3) the independent registered public accounting firm's ("independent auditor's") qualifications and independence, and (4) the performance of the company's internal audit function and independent auditors. Management has the primary responsibility for ITG's consolidated financial statements and the reporting process, including the internal control systems. ITG's independent auditors are responsible for the integrated audit of the consolidated financial statements and internal control over financial reporting.

KPMG LLP ("KPMG") served as ITG's independent auditor for 2011, and the audit committee has recommended that KPMG be elected in that capacity for 2012. See "Ratification of Selection of Independent Auditors."

The audit committee has reviewed and discussed with management and KPMG ITG's audited consolidated financial statements for the year ended December 31, 2011. It has also discussed with KPMG the matters required to be discussed by Public Company Accounting Oversight Board ("PCAOB") AU Section 380 (Communication with Audit Committees). KPMG has provided to the audit committee the written disclosures and the letter required by applicable requirements of the PCAOB regarding the independent auditor's communications with the audit committee concerning independence and the audit committee has discussed with KPMG its independence. We have determined that KPMG's provision of certain limited non-audit services is compatible with their independence.

Based on the review and discussions referred to above, the audit committee recommended to the board of directors that the audited consolidated financial statements for the year ended December 31, 2011 be included in ITG's Annual Report on Form 10-K for 2011.

Audit Committee

Christopher V. Dodds, Chair
Timothy L. Jones
Kevin J.P. O'Hara
Maureen O'Hara

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PROPOSAL ON
RATIFICATION OF SELECTION OF INDEPENDENT AUDITORS

KPMG was our independent auditor for the years ended December 31, 2011 and 2010. On February 21, 2012, KPMG was appointed by the audit committee to serve as our independent auditor for 2012.

The ratification of the appointment of KPMG is being submitted to the stockholders at the annual meeting. If such appointment is not ratified, the board of directors will consider the appointment of other accountants.

Our board of directors unanimously recommends that you vote "FOR" the ratification of the appointment of KPMG as our independent auditor for the 2012 fiscal year.

A representative of KPMG, the independent auditor who audited our consolidated financial statements for 2011, is expected to be present at the annual meeting to respond to appropriate questions of stockholders and will have the opportunity to make a statement if he or she so desires.

Fees to our Independent Auditor

The following table presents fees for professional services rendered by KPMG for the audit of our annual financial statements for the years ended December 31, 2011 and 2010, and fees billed for audit-related services, tax services and all other services rendered by KPMG for such periods.

	2011	2010
	(Dollars in thousands)	
Audit fees(1)	1,998	1,910
Audit-related fees(2)	29	22
Tax fees(3)	100	66
All other fees		
Total	2,127	$ 1,998

(1) The aggregate fees incurred include amounts for the audit of our annual financial statements, the reviews of the financial statements included in our Quarterly Reports on Form 10-Q and amounts for the audit of our internal controls pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, including in each case services related thereto such as statutory audits, consents, and assistance with, and review of, documents filed with the SEC and other regulatory bodies.

(2) The audit-related fees primarily relate to attestation services provided to our U.S. broker-dealer.

(3) The aggregate fees incurred for tax services include amounts in connection with tax compliance and tax consulting services.

Pre-approval of Services by the Independent Auditor

The audit committee has adopted policies and procedures for pre-approval of audit and permitted non-audit services by our independent auditor. The audit committee will consider annually and, if appropriate, approve the provision of audit services by its independent auditor and, if appropriate, pre-approve the provision of certain defined audit and non-audit services. The audit committee will also consider on a case-by-case basis and, if appropriate, approve specific engagements that are not otherwise pre-approved. Any proposed engagement that does not fit within the definition of a

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pre-approved service may be presented to the audit committee for consideration at its next regular meeting or, if earlier consideration is required, to the audit committee.

The audit committee has authorized the company's chief financial officer to engage the company's independent auditor to perform special non-audit projects (including tax compliance projects), provided that (a) the fees payable in respect of such projects do not exceed $10,000 for any individual project and $100,000 in the aggregate in any given calendar year, (b) to the extent that the fees payable in respect of any such project are greater than $10,000 but less than or equal to $20,000, the company's chief financial officer shall obtain prior approval from the committee's chair, (c) to the extent the fees payable in respect of such project are expected to exceed $20,000, separate prior committee approval shall be obtained and (d) the subject matter of such projects is permitted to be performed under the SEC's and the PCAOB's independence rules. Any projects approved in accordance with (a) and (b) will be brought to the attention of the committee at its next meeting.

The audit committee will regularly review summary reports detailing all services being provided to ITG by its independent auditor.

CONTACTING THE BOARD OF DIRECTORS

You, or any interested party, may communicate with our board of directors, including our non-management directors and the Chair of the audit committee, by sending a letter to the ITG Board of Directors, P.O. Box 3481, Grand Central Station, New York, New York 10163. Any complaints or concerns relating to ITG's accounting, internal accounting controls or auditing matters will be referred to the Chair of the audit committee. Other concerns will be referred to the Chair of the board with a copy to the Chair of the nominating and corporate governance committee. Any complaints or concerns may be reported anonymously or confidentially. ITG strictly prohibits any retaliation for reporting a possible violation of law, ethics, or firm policy regardless of whom the report concerns.

WHERE YOU CAN FIND MORE INFORMATION

As required by law, we file reports, proxy statements and other information with the SEC. These reports, proxy statements and other information contain additional information about our company. You can inspect and copy these materials at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C. 20549. You can obtain information about the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC maintains an Internet Site that contains reports, proxy and information statements and other information regarding companies that file electronically with the SEC. The SEC's Internet address is *http://www.sec.gov*. You can also inspect these materials of our company at the offices of the NYSE, 20 Broad Street, New York, New York 10005 and on our website at *http://investor.itg.com*.

If you are one of our stockholders and would like to receive a copy of any document referred to in this proxy statement, you should call or write to Investment Technology Group, Inc., 380 Madison Avenue, 4th Floor, New York, New York 10017, Attention: Investor Relations (telephone: (800) 991-4484). In order to ensure timely delivery of the documents prior to the annual meeting, you should make any such request not later than June 4, 2012.

You should rely only on the information contained in this proxy statement. We have not authorized anyone to give any information different from the information contained in this proxy statement. This proxy statement is dated April 24, 2012. You should not assume that the information contained in this proxy statement is accurate as of any later date, and the distribution of this proxy statement to stockholders shall not mean otherwise.

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OTHER MATTERS; STOCKHOLDER PROPOSALS FOR THE 2013 ANNUAL MEETING OF ITG

As of the date of this proxy statement, our board of directors knows of no matters that will be presented for consideration at the annual meeting, other than as described in this proxy statement. If any other matters shall properly come before the annual meeting or any adjournments or postponements thereof and shall be voted upon, the enclosed proxies will be deemed to confer discretionary authority on the individuals named as proxies therein to vote the shares represented by such proxies as to any such matters. The persons named as proxies intend to vote or not vote in accordance with the recommendation of our board of directors and management.

Stockholders who, in accordance with Exchange Act Rule 14a-8, wish to present proposals for inclusion in the proxy materials to be distributed by us in connection with our 2013 annual meeting must submit their proposals to our Corporate Secretary on or before December 26, 2012. As the rules of the SEC make clear, simply submitting a proposal does not guarantee its inclusion.

In accordance with our by-laws, in order to be properly brought before the 2013 annual meeting, a stockholder's notice of the matter the stockholder wishes to present must be delivered to Investment Technology Group, Inc., 380 Madison Avenue, 4th Floor, New York, New York 10017, Attention: Corporate Secretary, not less than 90 nor more than 120 days prior to the first anniversary of the date of this year's annual meeting. As a result, any notice given by or on behalf of a stockholder pursuant to these provisions of our by-laws (and not pursuant to Exchange Act Rule 14a-8) must be received no earlier than February 13, 2013 and no later than March 15, 2013.