

**AMENDED AND RESTATED
AUDIT COMMITTEE CHARTER
OF
GLEACHER & COMPANY, INC.**

Effective as of March 11, 2010
(Name Change as of May 27, 2010)

PURPOSE

The primary purpose of the Audit Committee (the “Committee”) is to assist the Board of Directors (the “Board”) of Gleacher & Company, Inc. (the “Company”) in fulfilling its responsibility to:

- oversee the integrity of the Company’s financial reporting process, including the financial reports and other financial information provided by the Company to its shareholders, any governmental or regulatory body and the public, or other uses thereof;
- assess and, where necessary or desirable, provide for the improvement of the Company’s systems of internal accounting and financial controls;
- provide for the annual independent audit of the Company’s financial statements;
- evaluate the external auditor’s (the “Independent Auditor”) qualifications and independence;
- assess and, where necessary or desirable, provide for the improvement of the Company’s legal and regulatory compliance practices and policies; and
- oversee the Company’s management of market, credit, liquidity and other financial and operational risks.

The Committee’s job is one of oversight. The Company’s management is responsible for preparing the Company’s financial statements, and the Independent Auditor is responsible for auditing those financial statements. Additionally, the Committee recognizes that management, including the internal audit staff, as well as the Independent Auditor, have more time, knowledge and detailed information on the Company than do Committee members; consequently, in carrying out its oversight responsibilities, the Committee is not providing any expert or special assurance as to the Company’s financial statements or any professional certification as to the Independent Auditor’s work.

MEMBERSHIP

The Committee shall consist of not less than three independent members of the Board,

one of which shall be Chairperson. The Committee members shall be appointed by the Board at the annual meeting of the Board. When appointing the Committee members, the Board shall take into consideration the recommendations of the Committee on Directors and Corporate Governance and the Company's Corporate Governance Guidelines, and shall determine that the Committee's composition meets the independence, financial literacy and experience requirements of the listing standards of Nasdaq, and the independence and accounting or related financial management expertise requirements of the Securities Exchange Act of 1934, as amended, and any rules adopted thereunder. The Committee members shall serve for one year terms, or until their earlier resignation, death or removal by the Board. The Committee shall appoint the Committee's Chairperson.

DELEGATION

The Committee may form, and delegate authority to, subcommittees when and as it deems appropriate.

DUTIES AND RESPONSIBILITIES

The following functions shall be the common recurring activities of the Committee in carrying out its oversight function. These functions are set forth as a guide with the understanding that the Committee may diverge from this guide as appropriate given the circumstances.

Independent Auditor and Audit Process

- The Committee shall meet with the Independent Auditor, the Company's management, and such other personnel as it deems appropriate for the purpose of discussing such matters as it considers appropriate. The Committee shall meet separately with the Independent Auditor and the Company's management periodically, normally at least once each fiscal quarter.
- The Committee shall have the sole authority and responsibility to appoint, retain (subject to such shareholder ratification as the Company deems desirable), compensate, evaluate and, where appropriate, terminate the Independent Auditor. The Committee shall consider such matters as the experience and qualifications of the senior members of the Independent Auditor team, the quality control procedures of the Independent Auditor, the Independent Auditor's audit plan and procedures, and whether there should be a regular rotation of the firm acting as the Company's Independent Auditor.
- The Committee shall review the Independent Auditor's compensation and the proposed terms of their engagement, and consider their audit plan and procedures and review any problems arising from the annual audit examination.

- The Committee shall annually request from the Independent Auditor a formal written statement delineating all relationships between the Independent Auditor and the Company consistent with Independence Standards Board Standard No. 1.
- The Committee shall discuss with the Independent Auditor any such disclosed relationships and their impact on the Independent Auditor's independence.
- The Committee shall pre-approve all permitted non-audit services to be performed by the Independent Auditor and establish policies and procedures for the engagement of the Independent Auditor to provide permitted non-audit services.
- The Committee shall establish guidelines for the Company's hiring of employees of the Independent Auditor who were engaged on the Company's account.
- The Committee shall discuss with the Independent Auditor the Independent Auditor's judgment about the quality, not just the acceptability, of the accounting principles applied in the Company's financial reporting.
- The Committee shall discuss with the Independent Auditor the Independent Auditor's judgment about the competence, performance and cooperation of the Company's internal audit department and management.
- The Committee shall discuss with the Company's internal audit department and management their views as to the competence, performance and independence of the Independent Auditor.
- The Committee shall obtain from the Independent Auditor annually and review a report of "required communications" of the type contemplated by Statement of Auditing Standards No. 114: The Auditor's Communication with Those Charged with Governance ("SAS No.114").
- The Committee shall obtain assurance from the Independent Auditor that the audit was conducted in a manner consistent with Section 10A of the Securities Exchange Act of 1934, as amended.

Financial Statements

- The Committee shall review with management and the Independent Auditor the audited financial statements to be included in the Company's Annual Report on Form 10-K (or the Annual Report to Shareholders if distributed prior to the filing of Form 10-K), including the Company's disclosure under Management's Discussion and Analysis of Financial Conditions and Results of Operations, and review and consider with the Independent Auditor the matters required to be discussed by SAS No. 114. The Committee shall determine whether to recommend to the Board the inclusion of these financial statements in these reports.

- The Committee shall review with the Independent Auditor the Company's interim financial results to be included in the Company's quarterly reports, including the Company's disclosure under Management's Discussion and Analysis of Financial Conditions and Results of Operations, to be filed with the Securities and Exchange Commission, prior to the Company's filing of the Quarterly Report on Form 10-Q.
- The Committee shall consider major changes and other major questions of choice respecting the appropriate accounting principles, estimates and practices to be applied in the preparation of the Company's financial statements.
- The Committee shall review material pending legal proceedings involving the Company and consider other contingent liabilities, as well as other risks and exposures, that may have a material impact on the financial statements.
- The Committee shall review with management and the Independent Auditor the financial statement effects of pending regulatory and accounting initiatives.
- The Committee shall review any off-balance sheet financial structures in which the Company is involved.
- The Committee shall discuss with management earnings press releases, as well as financial information and earnings guidance provided to analysts and rating agencies. Discussion of earnings releases as well as financial information and earnings guidance may be done generally (i.e., discussion of the types of information to be disclosed and the type of presentation to be made).
- The Committee shall review any significant disputes between management and the Independent Auditor that arose in connection with the preparation of the Company's financial statements.
- The Committee shall prepare an Audit Committee Report for inclusion in the Company's proxy statement.

Internal Controls

- The Committee shall review, and then discuss with the Independent Auditor and management, the quality and adequacy of the Company's internal controls, including the adequacy of the staffing and budget of the Company's internal audit staff.
- The Committee shall advise the Board with respect to the Company's policies and procedures regarding compliance with applicable laws and regulations and with the Company's Code of Business Conduct and Ethics.

- The Committee shall obtain reports from management, the Company's senior internal auditing executive and the Independent Auditor with respect to compliance by the Company and its subsidiary entities with applicable legal requirements and the Company's Code of Business Conduct and Ethics, including disclosure of related party transactions.
- The Committee shall establish procedures for the receipt and retention of reports or other allegations or evidence that are received by or otherwise come to the attention of the Company regarding accounting, internal controls or auditing matters, illegal conduct or non-compliance with Company policies. These procedures shall include procedures for employees of the Company to report, on either a fully disclosed or on an anonymous or confidential basis, to the Committee concerns with respect to accounting or auditing matters. The Committee shall investigate all complaints, allegations and evidence of illegal conduct or non-compliance with Company policies.
- The Committee shall review and act upon any proposal for the Company to enter into a related party transaction, as contemplated by the Company's Related Party Transactions Policy, and direct that, whenever necessary, such transactions are disclosed in the Company's quarterly or annual reports, as the case may be, which are filed before the Securities and Exchange Commission.
- The Committee shall perform such other duties and responsibilities, consistent with this charter and governing law, as may be delegated to the Committee by the Board.

Compliance and Risk Management

- The Committee shall review with management the Company's market, credit, liquidity and other financial and operational risks (including risks arising from employee compensation policies).
- The Committee shall review and assess the Company's risk management policies and other measures the Company has taken to address risk.
- The Committee shall meet periodically with the senior legal compliance and internal audit personnel, as well as the Independent Auditors, to review any significant legal, compliance or regulatory matters that may have a material impact on the Company's business, financial statements or compliance policies.
- The Committee will endeavor to facilitate free and open communication between the directors, the Independent Auditor, the internal auditor and the management of the Company, and to encourage attorneys and others aware of risks to discuss them.

Procedures

- The Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities, but in any case, not less than four times a year. Subject to the foregoing, the Committee will meet at such times as determined by its Chairperson or as requested by any two of its members. Notice of all meetings shall be given, and waiver thereof determined, pursuant to the provisions contained in the Company's Bylaws. The Chairperson will preside, when present, at all meetings of the Committee. The Committee may meet by telephone or video conference and may take action by written consent.
- Each member of the Committee shall have one vote. Two members shall constitute a quorum. The Committee shall be authorized to take any permitted action only by the affirmative vote of a majority of the Committee members present at any meeting at which a quorum is present, or by the unanimous written consent of all of the Committee members.
- The Committee shall maintain copies of minutes of each meeting of the Committee, and each written consent to action taken without a meeting, reflecting the actions so authorized or taken by the Committee. A copy of the minutes of each meeting and all consents shall be placed in the Company's minute book.
- In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company.
- The Committee shall meet periodically with the Independent Auditor and the internal auditors outside the presence of senior management.
- The Committee shall review with the Independent Auditor any problems or difficulties the Auditor may have encountered and any management letter provided by the Auditor and management's response to that letter.
- The Committee shall conduct an annual self-evaluation and report its findings to the Board.
- The Committee shall review the adequacy of this charter on an annual basis and recommend changes to the Board for approval.

EXTERNAL ADVISERS

The Committee shall have the authority to retain, determine funding and other retention terms for, and if necessary, terminate such outside counsel, experts and other advisers as it determines appropriate to assist in the full performance of its functions, and the Company shall make such funding available to the Committee.

DISCLOSURE

This charter is made available on the Company's website at www.gleacher.com.