

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

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

**PURPOSE**

The Executive Compensation Committee (the “Committee”) is responsible for discharging the responsibilities of the Board of Directors (the “Board”) of Gleacher & Company, Inc. (the “Company”) relating to compensation, including implementing and reviewing executive compensation plans, policies and programs to ensure the attraction and retention of executive officers in a reasonable and cost-effective manner, to motivate their performance in the achievement of the Company’s business objectives and to align the interest of executive officers with the long-term interests of the Company’s shareholders, and general oversight of any other material compensation arrangements applicable to key business employees who are not executive officers. As used in this charter, the term “executive officer” shall have the meaning ascribed to such term under Rule 16a-1 under the Securities Exchange Act of 1934, as amended.

**MEMBERSHIP**

The Committee shall consist of two or more members, 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 each member has the appropriate experience, qualifications and interest to carry out the member’s duties and responsibilities. Each member of the Committee shall meet the independence requirements of the NASDAQ Stock Market. At least two members of the Committee shall qualify as “outside” directors within the meaning of Section 162(m) of the Internal Revenue Code, as amended, and as “non-employee” directors within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended.

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 it deems appropriate, including without limitation, a subcommittee comprised solely of “non-employee” directors within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended, to the extent formation of a subcommittee is necessary to ensure that actions taken with respect to equity awards satisfy the exemption under Rule 16b-3 relating to advance approval of a committee of non-employee directors.

## DUTIES AND RESPONSIBILITIES

The Committee shall:

- Develop and approve periodically a general compensation policy and salary structure for executive officers of the Company, which considers business and financial objectives, industry and market pay practices and/or such other information as may be deemed appropriate.
- Review and approve base salaries and salary increases for executive officers.
- Review and approve all perquisites offered to executive officers.
- Annually, while meeting in executive session: review and approve corporate goals and objectives relevant to the compensation of the Chief Executive Officer (“CEO”), evaluate the CEO performance in light of those goals and objectives, establish the individual elements of the CEO total compensation based on this evaluation and make all other determinations with respect to the compensation of the CEO.
- The Committee shall oversee the Company’s incentive compensation programs as they affect all other executive officers and make determinations with respect to the incentive compensation awarded to such other executive officers.
- Review and supervise, in coordination with management, the overall compensation policies of the Company, including periodic reviews of the incentive compensation and retention arrangements and/or incentive determinations applicable to key business employees who are not executive officers.
- Review and approve all employment, retention and severance agreements for any executive officer.
- Review and approve any compensation arrangement for an executive officer involving any subsidiary, special purpose entity or other affiliate.
- Act on behalf of the Board in administering compensation plans, approved by the Board and/or shareholders, including without limitation, the Management Bonus Compensation Plan, the 1999 Long-Term Incentive Plan, the 2001 Long-Term Incentive Plan, the 2007 Incentive Compensation Plan, and the Deferred Compensation Plan for Key Employees, in each case, in a manner consistent with the terms of such plans, including, as applicable:
  - review of performance target goals established before the start of the relevant plan year or other performance period and determination of when performance goals have been achieved at the end of the plan year other performance period; and

- the granting of (either directly or subject to the approval of the full Board or a subcommittee of the Committee, to the extent necessary to ensure that actions taken with respect to equity awards satisfy an exemption under Rule 16b-3) stock options, restricted stock, stock units and other equity-based awards.
- Review and make recommendations to the Board with respect to compensation plans applicable to the CEO and other executive officers and any equity-based plan.
- Review and make recommendations to the Board on changes in major benefit programs of the executive officers.
- Review the management succession program for the CEO and selected executive officers.
- The Committee shall review and discuss with the Company's management the Compensation Disclosure and Analysis required by the rules of the Securities and Exchange Commission. Based on such review and discussion, the Committee shall determine whether to recommend to the Board of Directors of the Company that the Compensation Discussion and Analysis be included in the Company's annual report on Form 10-K or proxy statement for the annual meeting of the shareholders. The Committee shall provide, over the names of the members of the Committee, the required Executive Compensation Committee Report for the Company's annual report or proxy statement for the annual meeting of shareholders.
- The Committee shall, along with the Audit Committee and the Company's senior risk officers, annually review the Company's employee compensation programs as they relate to risk management and risk-taking incentives in order to determine whether any risk arising from such compensation programs is reasonably likely to have a material adverse effect on the company. The Committee shall, along with the Audit Committee and the Company's senior risk officers, review and discuss with the Company's management any disclosure in respect of such risks required to be included in the Company's annual report on Form 10-K or proxy statement for the annual meeting of the shareholders, and determine whether or not to recommend to the Board of Directors of the Company that the disclosure be included.
- Review and obtain confirmation that compensation and perquisites of the CEO and the other executive officers are administered in compliance with applicable law and are appropriately disclosed in the Company's annual meeting of shareholders proxy statement.

## **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 twice a year. The Board shall designate one member of the Committee to serve as its Chairperson. The Committee will meet at such times as determined by its Chairperson or as requested by any 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. One-third of the members, but not less than two, 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.
- The Committee shall review the adequacy of this charter on an annual basis and recommend changes to the Board for approval.
- The Committee shall undertake an annual evaluation of the Committee.
- Perform such other functions as may be assigned to the Committee from time to time, by the Board.

## **EXTERNAL ADVISERS**

The Committee shall have the authority to retain and terminate compensation consultants to assist in the evaluation of Director, CEO or executive officer compensation, including sole authority to approve the consultants' fees and other retention terms. The Committee shall also have authority to obtain advice and assistance from any officer or employee of the Company or any outside legal expert or other adviser.

## **DISCLOSURE**

This charter is available on the Company's website at [www.gleacher.com](http://www.gleacher.com).