

**AMENDED AND RESTATED
CORPORATE GOVERNANCE GUIDELINES
OF
GLEACHER & COMPANY, INC.**

Effective as of May 9, 2011

I. The Mission of the Board of Directors

The Gleacher & Company, Inc. (the “Company”) Board of Directors (the “Board”) represents the Shareholders’ interest in perpetuating a successful business, including optimizing long-term financial returns. The Board is responsible for determining that the Company is managed in such a way to ensure this result. This is an active, not a passive, responsibility. The Board has the responsibility to ensure that in good times, as well as difficult ones, that management is capably executing its responsibilities.

These Corporate Governance Guidelines (the “Guidelines”) are intended as a component of the flexible governance framework within which the Board, assisted by its Committees, directs the affairs of the Company. While they should be interpreted in the context of all applicable laws, regulations and NASDAQ listing requirements, as well as in the context of the Company’s Certificate of Incorporation and Bylaws, they are not intended to establish by their own force any legally binding obligations.

II. Guidelines on Significant Corporate Governance Issues

A. Selection and Composition of the Board

1. Board Membership Criteria

The Committee on Directors and Corporate Governance is responsible for reviewing with the Board, on an annual basis, the appropriate skills and characteristics required of Board members in the context of the current make-up of the Board. This assessment should include consideration of issues of judgment, diversity, age, and skills, all in the context of an assessment of the perceived needs of the Board at that point in time.

In determining whether to recommend a director for reelection, the Committee on Directors and Corporate Governance also considers a director’s past attendance at meetings and participation in and contribution to the activities of the Board and committees of the Board on which the director served.

2. Selection and Orientation of New Directors

The Board, taking into consideration the recommendations of the Committee on Directors and Corporate Governance, shall be responsible for identifying and recommending nominees for election to the Board. The Board and the Company should have a complete orientation process for new Directors that

includes background material, meetings with senior management and visits to Company facilities.

3. Extending the Invitation to a Potential Director to Join the Board

The invitation to join the Board should be extended by the Board itself via communication from the Chairperson of the Board or Chief Executive Officer of the Company, together with the Lead Independent Director/the Chairperson of the Committee on Directors and Corporate Governance.

B. Board Leadership Structure

Whether the Chairperson of the Board position is filled by a Director who is an employee or former employee of the Company or a non-management Director is a decision that should be made by the Board in a way that seems best for the Company at a given point in time.

If the Chairperson of the Board is an employee of the Corporation, the Board shall have a lead independent Director (the “Lead Independent Director”) who will assume the responsibility of chairing the regularly scheduled executive session meetings of the independent Directors and other responsibilities which the independent Directors as a whole may designate from time to time. The Chairperson of the Committee on Directors and Corporate Governance at any time shall be the Lead Independent Director unless another Director is so designated by the Board. The Lead Independent Director shall: lead the Board’s processes for selecting and evaluating the Chief Executive Officer; preside at all meetings of the Board at which the Chairperson of the Board is not present, including executive sessions of the independent directors; serve as a liaison between the Chairperson of the Board and the independent directors; and approve meeting agendas and schedules and generally approve information sent to the Board.

C. Board Composition and Performance

1. Size of the Board

The Board should determine, with the assistance of the Committee on Directors and Corporate Governance, the appropriate Board size, taking into consideration any parameters set forth in the Company’s Certificate of Incorporation and Bylaws (which currently provide that the Board shall consist of not more than fifteen Directors nor less than the minimum number required by law), and periodically assess overall Board composition to ensure the most appropriate and effective Board membership mix. The Board should neither be too small to maintain the needed expertise and independence, nor too large to be efficiently functional. Moreover, an odd number of Directors is desirable but not required.

2. Independent Directors

The Board shall include such number of Independent Directors (as defined below) as required under applicable law and the listing standards of the NASDAQ Global Market (“NASDAQ”).

For purposes of defining an Independent Director, the Board will comply with applicable law and the listing standards of NASDAQ. The Board, in consultation with the Committee on Directors and Corporate Governance, will review annually the relationships that each Director has with the Company (directly or as a partner, shareholder or officer of an organization that has a relationship with the Company). Following such review, only those Directors whom the Board affirmatively determines have no relationship that would interfere with the exercise of independent judgment in carrying out their responsibilities will be considered independent Directors. The Committee on Directors and Corporate Governance shall periodically review the compensation arrangements and other business relationships between Directors and the Company, including the Company’s charitable and political contributions, in order to monitor the continued independence of Directors deemed independent. In addition, no member of the Audit Committee may receive any compensation from the Company except for compensation for service on the Board or a Committee.

3. Offer of Resignation Upon Material Change of Director’s Occupation

It is the sense of the Board that when a Director’s principal occupation or business association undergoes a material change from the position he or she held when originally invited to join the Board, the Director should be strongly encouraged to tender a letter of resignation to the Board. It is not the sense of the Board that in every instance Directors who change the position they held when they came on the Board should necessarily leave. There should, however, be an opportunity for the Board, via the Committee on Directors and Corporate Governance, to review the continued appropriateness of Board membership under these circumstances.

Independent Directors are encouraged to limit the number of other boards (excluding non-profit) on which they serve, taking into account potential Board attendance, participation and effectiveness on these boards. Independent Directors should also advise the Chairperson of the Board and the Chairperson of the Committee on Directors and Corporate Governance in advance of accepting an invitation to serve on another board.

4. Term Limits

The Board does not believe it should establish term limits. While term limits could help ensure that there are fresh ideas and viewpoints available to the Board, they hold the disadvantage of losing the contribution of Directors who have been able to develop, over a period of time, increasing insight into the

Company and its operations and, therefore, provide an increasing contribution to the Board as a whole. As an alternative to term limits, the Committee on Directors and Corporate Governance, in consultation with the Chief Executive Officer, will formally review each Director's continuation on the Board every three years. This will also allow each Director the opportunity to confirm their desire to continue as a member of the Board.

5. Director Compensation

It is appropriate for the Committee on Directors and Corporate Governance to request an impartial review of the status of Director compensation in relation to other comparable companies. As part of a Director's total compensation and to create a direct linkage with corporate performance, the Board believes that a meaningful portion of a Director's compensation should be provided in the form of common stock and other equity based incentives.

Changes in Director compensation, if any, should come at the suggestion of the Committee on Directors and Corporate Governance, but with full discussion and approval by the Board.

6. Executive Sessions of Independent Directors

The Independent Directors of the Board shall have the opportunity to meet in executive session with such frequency, including in connection with each regularly scheduled meeting of the Board, as such Directors deem appropriate. Such Directors shall meet in executive session at least two times per year. Executive sessions will be chaired by the Lead Independent Director. The format and agenda of these meetings will be set by the Lead Independent Director after consultation with the other independent Directors.

7. Assessing the Board's Performance

The Committee on Directors and Corporate Governance is responsible to report annually to the Board an assessment of the Board's performance. This will be discussed with the full Board. This should be done following the end of each fiscal year and at the same time as the report on Board membership criteria. This assessment should be of the Board's contribution as a whole and specifically review areas in which the Board and/or management believes a better contribution could be made. Its purpose is to increase the effectiveness of the Board, not to target individual Board members.

8. Board's Interaction with Institutional Investors, Press, Customers and Other Constituents.

It is important that the Company speak to employees and outside constituencies with a single voice, and that management serve as the primary spokesperson. If a situation does arise in which it seems necessary for a non-

management Director to speak on behalf of the Company to one of these constituencies, the Director should consult with the Chief Executive Officer.

9. Responsibilities

The basic responsibility of the Directors is to exercise their business judgment to act in what they reasonably believe to be in the best interests of the Company and its shareholders. The Directors shall be entitled to have the Company purchase reasonable directors' and officers' liability insurance on their behalf, to the benefits of indemnification to the fullest extent permitted by law and the Company's Certificate of Incorporation and Bylaws and any indemnification agreements, and to exculpation as provided by state law and the Company's Certificate of Incorporation.

D. Board Relationship to Senior Management

1. Regular Attendance of Non-Directors at Board Meetings

The Board welcomes the regular attendance at each Board meeting of non-Board members who are in the most senior management positions of the Company and the Secretary. Should the Chairperson of the Board or Chief Executive Officer want to add additional people as attendees on a regular basis, it is expected that this suggestion would be made to the Board for its consideration. The Board encourages management to bring managers into Board meetings who: (a) can provide additional insight into the items being discussed because of personal involvement in these areas, and/or (b) are managers with such future potential that the senior management believes the Board should have greater exposure to such individuals.

2. Board Access to Senior Management/Advisers

Directors have complete access to senior management and to the Board's advisers. Directors are expected to use good judgment to ensure that this contact is not unnecessarily distracting to the business operation of the Company, and that independent advisers are used efficiently.

E. Meeting Procedures

1. Selection of Agenda Items for Board Meetings

The Chairperson of the Board or Chief Executive Officer will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. The agenda shall be approved by the Lead Independent Director.

2. Board Materials Distributed in Advance

Information and data that is important to the Board's understanding of the business will be distributed in writing to the Board before the Board meets.

3. Board Presentations

As a general rule, presentations on specific subjects should be sent to the Board members in advance so that Board meeting time may be conserved and discussion time focused on questions that the Board has about the material. The material should be sent sufficiently in advance to allow meaningful review of the information so distributed. On those occasions in which the subject matter is too sensitive to put on paper, the presentation will be discussed at the meeting.

F. Board Committee Matters

1. Number, Structure and Independence of Committees

The current Board committees are Audit, Executive Compensation, and Directors and Corporate Governance. From time to time, the Board may form a new committee. Each committee shall have access to such outside advice as such committee in its sole discretion deems necessary or appropriate, including, but not limited to, attorneys, compensation consultants and/or auditors. The Audit Committee shall consist solely of independent Directors.

2. Assignment and Rotation of Committee Members

The Board of Directors is responsible, after consultation with the Committee on Directors and Corporate Governance, the committee chairs and the standing committees, for the assignment of Board members to various committees. Such assignments must comport with the applicable committee's charter as well as any applicable laws and regulations.

It is the sense of the Board that consideration should be given to rotating committee members periodically at about a five year interval, but the Board does not feel that such a rotation should be mandated as a policy since there may be reasons at a given point in time to maintain an individual Director's committee membership for a longer period.

3. Committee Agenda

The Chairperson of each committee, in consultation with the appropriate members of the committee and management, will develop the committee's agenda.

4. Committee Evaluation

The Audit, Executive Compensation and Directors and Corporate Governance committees shall each undertake an annual performance evaluation as specified in their respective charters.

5. Charters

Each committee shall have its own charter as required by applicable Securities and Exchange Commission laws, rules and NASDAQ listing standards, which will set forth the purposes, goals and responsibilities of the committees and the qualifications for committee membership, procedures for committee member appointment and removal, committee structure and committee reporting to the Board. Current versions of such committee charters shall be available on the Company's website and in print to any shareholder who requests a copy. Each committee charter, and any changes thereto, shall be subject to the approval of the Board.

G. Leadership Development

1. Formal Evaluation of the Chief Executive Officer

The Executive Compensation Committee shall establish policies, principles and procedures for the evaluation of the Chief Executive Officer. The evaluation should be based on objective criteria including performance of the business, accomplishment of long-term strategic objectives, development of management, etc. The evaluation will be used by the Executive Compensation Committee in the course of its deliberations when considering the compensation of the Chief Executive Officer.

2. Succession Planning

There should be a report, at least annually, by the Chairperson of the Board or Chief Executive Officer to the Board on succession planning. There should also be available, on a continuing basis, the Chairperson of the Board's or Chief Executive Officer's recommendation as a successor should the Chief Executive Officer be unexpectedly disabled.

3. Management Development

There should be a report, at least annually, to the Board by the Chairperson of the Board or Chief Executive Officer on the Company's program for management development. This report should be given to the Board at the same time as the succession planning report noted previously.

III. Amendment

These Guidelines are subject to future amendments as the Board may find necessary or appropriate for the Company. The Committee on Directors and Corporate Governance shall review these Corporate Governance Guidelines on at least an annual basis, and report to the Board with any recommendations it may have in connection therewith. Such review shall be referred to in the Company's annual proxy statement.

IV. Disclosure

These Guidelines are available on the Company's website at www.gleacher.com.