

**THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS
COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER
THE SECURITIES ACT OF 1933.**

BGC PARTNERS, INC.

**SECOND AMENDED AND RESTATED
LONG TERM INCENTIVE PLAN**

To: Participants in the BGC Partners, Inc. Second Amended and Restated Long Term Incentive Plan

Subject: Offer and Sale of up to an Aggregate of 100.0 Million Shares of BGC Partners, Inc. Class A Common Stock and Restricted Stock Units and Other Stock-Based Awards Representing Rights to Acquire Such Shares Under the Plan

Date: August 4, 2010

Market for Class A Common Stock: NASDAQ Global Market Trading Symbol: BGCP

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BGC PARTNERS, INC.

SECOND AMENDED AND RESTATED LONG TERM INCENTIVE PLAN

The following description of the BGC Partners, Inc. Second Amended and Restated Long Term Incentive Plan (the “Plan”) outlines the provisions of the Plan and the offering under the Plan pursuant to which BGC Partners, Inc. (“we,” “us,” “our” or the “Company”) is offering for sale under the Plan to persons eligible to participate in the Plan (“you” or “participants”) (i) shares of our Class A common stock, par value \$0.01 per share (the “Class A Common Stock”), (ii) restricted stock units, with or without dividend equivalents (“RSUs”), representing rights to acquire shares of our Class A Common Stock for no additional consideration pursuant to the Plan, upon vesting of the RSUs, and (iii) other stock-based awards (“Other Stock-Based Awards”), representing rights to acquire shares of our Class A Common Stock for no additional consideration pursuant to the Plan, upon the exchange of exchangeable RPU, PSUs, PSIs and other working partner units (“Working Partner Units”), REUs, or other partnership units issued by BGC Holdings, L.P. (“BGC Holdings”) pursuant to the BGC Holdings, L.P. Participation Plan (the “Participation Plan”), and upon the exchange of founding partner units (“Founding Partner Units”) of BGC Holdings that become exchangeable in compensatory transactions. This description is not a complete statement of the Plan or the offering under the Plan. Enclosed is a copy of the Plan.

This memorandum constitutes part of the prospectus for the offering of up to an aggregate of 100.0 million shares of Class A Common Stock, including RSUs and Other Stock-Based Awards, under the Plan and is part of certain Registration Statements on Form S-8 (the “Registration Statements”) that the Company has filed with the Securities and Exchange Commission (the “SEC”) under the Securities Act of 1933, as amended (the “Securities Act”). A complete copy of each of the Registration Statements is available from the Company upon request and from the SEC’s website at www.sec.gov.

Who Is the Sponsor of the Plan?

The sponsor of the Plan is BGC Partners, Inc., formerly known as eSpeed, Inc. (“eSpeed”). The Company is a combination of eSpeed and the BGC businesses of eSpeed’s parent, Cantor Fitzgerald, L.P. (“Cantor”), and was formed by a merger that closed on April 1, 2008 (the “Merger”).

As a part of the merger, the partners in Cantor that worked for the BGC businesses became partners (“founding partners”) in a new partnership, BGC Holdings, that is owned by the Company, Cantor, the founding partners, and holders of Working Partner Units, REUs, and RPUs. The Company is the indirect general partner of BGC Holdings. The founding partners, Working Partner Unit holders, REU holders and RPU holders and the former employees of eSpeed and its subsidiaries now work for operating partnerships that are owned jointly by the Company and BGC Holdings. Both BGC Holdings and the operating partnerships, as well as certain service partnerships, are considered subsidiaries or affiliates of the Company. In addition, certain employees of Cantor and its affiliates work for the Company and its subsidiaries and affiliates pursuant to administrative services agreements between the Company and a service partnership as well as leased employee arrangements between the Company and Cantor.

More information about the merger, the Company, BGC Holdings, and the operating partnerships and the service partnership can be found in the Company’s Annual Report on Form 10-K for the year ended December 31, 2009, and in the Company’s subsequent filings with the SEC under the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

What Is the Plan?

Under the Plan, eligible persons may (i) be granted incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, deferred stock, including RSUs, stock granted as a bonus or in lieu of other awards, dividend equivalents, and Other Stock-Based Awards (collectively, “Awards”), (ii) purchase shares of Class A Common Stock pursuant to Awards, and (iii) in certain cases,

purchase RSUs and Other Stock-Based Awards. The Plan first became effective in 1999, was amended and restated in 2003, was amended and restated again in 2008 in connection with the Merger, and was amended and restated again in 2009. The Plan will continue in effect until terminated by the Board of Directors of the Company (the “Board”).

What Is the Purpose of the Plan?

The purpose of the Plan is to advance our interests and the interests of our stockholders by providing a means to attract, retain, motivate, and reward eligible directors, officers, employees, and consultants and other service providers to us and our affiliates, and to enable such persons to acquire or increase a proprietary interest in us, thereby promoting a closer identity of interests between such persons and our stockholders.

The Plan allows us to do this in two ways: First, Awards may be granted, and shares of Class A Common Stock and RSUs and Other Stock-Based Awards may be sold, directly by the Company to participants. Second, BGC Holdings may grant awards pursuant to the Participation Plan, in the form of Working Partner Units (including RPUs, PSUs and PSIs), REUs, or other partnership units issued by BGC Holdings or rights to acquire such BGC Holdings units, and the BGC Holdings units acquired under the Participation Plan, as well as compensatory Founding Partner Units issued in connection with the Merger, may in certain cases be exchanged for shares of our Class A Common Stock, which shares will be issued pursuant to Other Stock-Based Awards granted under the Plan.

Who Administers the Plan?

The Plan is administered by our compensation committee (the “Committee”), which is appointed by the Board. The Board performs the functions of the Committee for purposes of granting Awards to directors who serve on the Committee, and the Board may perform any function of the Committee under the Plan for any other purpose. The Committee may delegate its authority under the Plan to our officers

or managers, except with respect to Awards granted to our officers and directors. The Committee also administers the Participation Plan and has similar delegation powers under that Plan.

Subject to the provisions of the Plan, the Committee has full authority to (i) select the persons to whom Awards will be granted and shares of Class A Common Stock or RSUs or Other Stock-Based Awards sold; (ii) determine the type, size, and terms and conditions of any Awards; (iii) determine whether, to what extent, and under what circumstances an Award may be settled, and the exercise price of an Award may be paid, in cash, shares of Class A Common Stock, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered; (iv) determine the restrictions to which shares of Class A Common Stock received upon exercise or settlement of an Award will be subject; (v) prescribe the form of each written agreement evidencing an Award (an “Award Agreement”); (vi) adopt, amend, suspend, waive, or rescind such rules and regulations and appoint such agents as the Committee deems necessary or advisable to administer the Plan; (vii) correct any defect or supply any omission or reconcile any inconsistency in the Plan and to construe and interpret the Plan and any Award, Award Agreement, and rules and regulations; and (viii) make all other decisions and determinations that may be required under the terms of the Plan or as the Committee may deem necessary or advisable for the administration of the Plan. The Committee’s interpretations of the Plan and all actions and determinations relating to the Plan are final, conclusive, and binding.

Who Is Eligible to Receive Awards Under the Plan?

The following individuals are eligible to receive Awards and purchase shares of Class A Common Stock and RSUs and Other Stock-Based Awards under the Plan, as determined by the Committee:

- Directors, officers, and employees of us and our parent and its subsidiaries, including leased employees;

- Consultants who perform services for us or our parent or its subsidiaries;
- Persons who have been offered employment by, or agreed to become a director of, us, our parent, or its subsidiaries; and
- Persons employed by an entity that the Committee reasonably expects to become one of our subsidiaries, effective upon our acquisition of such subsidiary.

How Many Shares and RSUs and Other Stock-Based Awards May Be Issued Pursuant to the Plan?

The aggregate number of shares of Class A Common Stock that may be issued pursuant to the exercise or settlement of Awards, including RSUs and Other Stock-Based Awards, may not exceed 100.0 million. In addition, during any calendar year, no participant in the Plan may receive Awards, including RSUs and Other Stock-Based Awards, that may be settled by delivery of more than five million shares of Class A Common Stock. The aggregate number of RSUs and Other Stock-Based Awards granted under the Plan cannot exceed the share limits described above. With respect to Awards that may be settled in cash, no participant may be paid during any calendar year cash amounts relating to such Awards that exceed the greater of the fair market value of five million shares of Class A Common Stock at the date of grant or the date of settlement of the Award.

These limits, and the terms and conditions of outstanding Awards, will be adjusted by the Committee for recapitalizations, forward or reverse stock splits, reorganizations, mergers, consolidations, spin-offs, combinations, repurchases or exchanges of shares or other securities, stock dividends, or other special, large and non-recurring dividends or distributions, liquidations, dissolutions, or other similar corporate transactions or events, affecting us or our securities. Shares of Class A Common Stock issued pursuant to an Award may consist of authorized and unissued shares, treasury shares, or shares acquired in the open market.

What Types of Awards Are Available Under the Plan?

The Committee may grant the following types of Awards under the Plan:

- Incentive stock options;
- Nonqualified stock options;
- Stock appreciation rights;
- Restricted stock;
- Deferred stock, including RSUs;
- Stock granted as a bonus or in lieu of other awards;
- Dividend equivalents; and
- Other Stock-Based Awards, including in connection with exchangeable Working Partner Units (including RPU, PSU and PSI), REUs, or other partnership units issued by BGC Holdings subject to awards granted under the Participation Plan and exchangeable compensatory Founding Partner Units issued in connection with the Merger.

How Will I Know the Terms of My Award?

Each Award will be accompanied by an Award Agreement. You should read your Award Agreement, and any other documents referred to therein and herein, along with the Plan.

What Are Incentive Stock Options and Nonqualified Stock Options?

Incentive stock options and nonqualified stock options are stock options that give you the right to purchase shares of Class A Common Stock at a fixed exercise price.

Who Can Be Granted Incentive Stock Options and Nonqualified Stock Options?

Nonqualified stock options may be granted to anyone eligible to participate in the Plan. The Committee may grant incentive stock options only to our employees or the employees of our parent or our subsidiaries.

Is There a Limit on the Number of Incentive Stock Options That May Be Exercisable in Any One Year?

If you receive incentive stock options, only \$100,000 of your incentive stock options (based on the fair market value of Class A Common Stock on the date of grant) may first become exercisable by you during any calendar year. In other words, the aggregate value of all incentive stock options granted under all of our plans that first become exercisable by you in any calendar year may not exceed \$100,000. Any incentive stock options that exceed this limit will be treated as nonqualified stock options.

What Are the Terms of My Stock Options?

The Award Agreement will describe the type of stock options, the number of shares of Class A Common Stock that are subject to the stock options, when the stock options will become exercisable, and any additional terms and conditions applicable to your stock options. The exercise price of your stock options will be set forth in your Award Agreement. Under the Plan, the exercise price of your stock options must be equal to or greater than the fair market value of a share of Class A Common Stock on the date of grant. If you receive an incentive stock option and you own more than 10% of the voting power of our stock or the stock of our parent or any of our subsidiaries, the exercise price of your incentive stock options must be at least equal to 110% of the fair market value of Class A Common Stock on the date of grant.

How Many Shares of Stock Will Be Subject to My Stock Options?

Your Award Agreement will state the number of shares of Class A Common Stock subject to your stock options, subject to adjustment as set forth in the Plan.

When May I Exercise My Stock Options?

You may exercise your stock options according to the vesting schedule described in your Award Agreement and subject to any other conditions specified in your Award Agreement. The Committee may accelerate the exercisability of stock options at any time for any reason.

How Long Do I Have to Exercise My Stock Options Before They Expire?

The term of your stock options is determined by the Committee and is set forth in your Award Agreement. If you own more than 10% of the voting power of our stock or the stock of our parent or any of our subsidiaries, any incentive stock options granted to you may not have a term that exceeds five years from the date of grant.

How Do I Exercise My Stock Options?

You may exercise your stock options that have become exercisable by contacting ComputerShare at (732) 645-4230. Payment of the exercise price for the stock options must be received by the time specified by the Committee, which will generally depend on the type of payment being made. The Committee will determine the methods by which you must pay the exercise price, which may include, without limitation: (i) cash; (ii) shares of Class A Common Stock; (iii) other Awards or awards granted under other plans; or (iv) other property (including through broker-assisted cashless exercise and net issuance arrangements).

What Are Stock Appreciation Rights?

Stock appreciation rights give you the right to receive the appreciation in the value of Class A Common Stock over a specified period of time. The Committee may grant stock appreciation rights independently or in connection with the grant of another Award or award under another plan. The Committee may grant stock appreciation rights to anyone eligible to participate in the Plan.

What Will I Receive If I Exercise My Stock Appreciation Rights?

When you exercise stock appreciation rights, you will receive an amount that is equal to the amount by which the fair market value of the underlying shares of Class A Common Stock on the date of exercise exceeds the base amount of the stock appreciation rights. The Committee will determine the form of consideration payable upon settlement, whether in cash or in shares of Class A Common Stock.

What Is the Base Amount of My Stock Appreciation Rights?

The base amount of your stock appreciation rights will be determined by the Committee and will be set forth in your Award Agreement. Except for tandem awards, the base amount will be equal to or greater than the fair market value of a share of Class A Common Stock on the date of grant.

When May I Exercise My Stock Appreciation Rights?

You may exercise your stock appreciation rights according to the vesting schedule described in your Award Agreement and subject to any other conditions specified in your Award Agreement. The Committee may accelerate the exercisability of stock appreciation rights at any time for any reason.

How Long Do I Have to Exercise My Stock Appreciation Rights Before They Expire?

The term of your stock appreciation rights is determined by the Committee and is set forth in your Award Agreement.

How Do I Exercise My Stock Appreciation Rights?

You may exercise stock appreciation rights that have become exercisable according to the procedures described in your Award Agreement.

What Happens to My Stock Options and Stock Appreciation Rights If I Terminate Employment or Service?

The Committee will specify in your Award Agreement under what circumstances and during what time period, if any, you may exercise your stock options and your stock appreciation rights after you terminate employment or service.

What Is Restricted Stock?

A restricted stock award is a grant or discount sale to the participant of shares of Class A Common Stock that are subject to restrictions based on continued employment or service or other conditions. The Committee will determine whether a restricted stock award will be granted or sold, the number of shares subject to such Award, the restriction period, and whether the restrictions or forfeiture conditions will be waived in whole or in part in the event of termination resulting from specified causes. Restricted stock may be granted or sold to anyone eligible to participate in the Plan.

Can I Transfer, Sell, Vote, or Receive Dividends on Shares Subject to a Restricted Stock Award?

Restricted stock will be subject to such restrictions on transferability as the Committee may impose (see also “Are Awards Transferable?”). All restrictions imposed on restricted stock will lapse upon the expiration of the applicable restriction period and the satisfaction of all conditions imposed by the Committee. Unless the Committee determines otherwise, you can vote shares of Class A Common Stock subject to your restricted stock award and receive any dividends or other distributions paid on such shares during the applicable restriction period. Dividends paid on restricted stock will be either paid at

the dividend payment date in cash or in shares of unrestricted Class A Common Stock, or the payment of such dividends will be deferred and/or the amount or value of the dividends automatically reinvested in additional restricted stock, other Awards, or other investment vehicles, as the Committee shall determine or permit participants to elect.

What Happens to My Restricted Stock If I Terminate Employment or Service?

Except as otherwise determined by the Committee, upon termination of employment or service during the applicable restriction period, restricted stock that is subject to restrictions will be forfeited without payment to the participant.

When Will I Receive a Stock Certificate for the Shares Subject to My Restricted Stock Award?

If you receive a restricted stock award, the Committee may issue you a stock certificate for the shares of Class A Common Stock subject to the Award, or the Committee may provide that we will retain possession of the stock certificate for such shares until all restrictions on your restricted stock have lapsed. Any stock certificate issued with respect to restricted stock will bear a legend giving notice of the applicable restrictions.

What Happens When Restricted Stock Vests?

When restricted stock vests, you will then hold regular shares of Class A Common Stock no longer subject to the Award restrictions. At that time, you will be entitled to have the Award legend removed from your stock certificate.

What Is Deferred Stock or RSUs?

Deferred stock or RSUs represent the right, with or without dividend equivalents, to receive shares of Class A Common Stock at a future date, subject to restrictions based on continued employment or service or other conditions. The Committee will determine the number of RSUs that you will receive

and the terms and conditions applicable to the vesting of such Awards. RSUs may be granted or sold to anyone eligible to participate in the Plan.

What Will I Receive If My Deferred Stock or RSUs Become Payable?

Deferred stock or RSUs will be paid in shares of Class A Common Stock.

What Happens to My Deferred Stock or RSUs If I Terminate Employment or Service Prior to Meeting the Vesting Criteria for the Award?

Except as otherwise determined by the Committee, upon termination of employment or service during the applicable vesting period deferred stock or RSUs that are subject to forfeiture conditions will be forfeited without payment to the participant.

What Are Bonus Stock and Awards in Lieu of Cash Obligations?

The Committee is authorized to grant shares of Class A Common Stock as a bonus, or to grant such shares or other Awards in lieu of our obligations to pay cash under other plans or compensatory arrangements. The Committee may grant bonus stock and awards in lieu of such cash obligations to anyone eligible to participate in the Plan.

What Are Dividend Equivalents?

Dividend equivalents provide you with the right to receive cash, shares of Class A Common Stock, other Awards, or other property equal in value to dividends paid with respect to a specified number of shares of Class A Common Stock. Dividend equivalents may be awarded on a free-standing basis or in connection with another Award, such as RSUs. The Committee may grant dividend equivalents to anyone eligible to participate in the Plan.

What Are Other Stock-Based Awards?

Other Stock-Based Awards are Awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to shares of Class A Common Stock and factors that may influence the value of such shares. Rights to acquire shares of Class A Common Stock issuable upon the exchange of exchangeable Working Partner Units (including RPUs, PSUs and PSIs), REUs, or other partnership units issued by BGC Holdings subject to an award granted under the Participation Plan are one type of Other Stock-Based Awards. Rights to acquire shares of Class A Common Stock issuable upon the exchange of compensatory exchangeable Founding Partner Units issued by BGC Holdings in connection with the Merger are another type of Other Stock-Based Awards.

In addition, if the Committee pays a bonus under our Amended and Restated Incentive Bonus Compensation Plan in the form of shares of Class A Common Stock, such shares are also issued under the Plan pursuant to Other Stock-Based Awards. Cash awards, as an element of or supplement to any other Award, may be another type of Other Stock-Based Awards.

The Committee will determine the terms and conditions of all Other Stock-Based Awards. The Committee may grant Other Stock-Based Awards to anyone eligible to participate in the Plan, including holders of nonexchangeable Working Partner Units (including RPUs, PSUs and PSIs), REUs, or other partnership units issued by BGC Holdings and compensatory Founding Partner Units issued by BGC Holdings in connection with the Merger.

All such nonexchangeable BGC Holdings partnership units held by our employees include the potential to become exchangeable for shares of Class A Common Stock pursuant to the grant of Other Stock-Based Awards, either as an incentive to continued performance and/or as a reward for past services, including in connection with termination of employment. Any decision by Cantor or by the Company, with Cantor's concurrence, to turn on the

exchangeability of compensatory Founding Partner Units or of Working Partner Units (including RPU, PSU and PSI), REUs, or other partnership units issued by BGC Holdings, respectively, and any grant of Other Stock-Based Awards in connection with such a turn on, shall be in the exclusive discretion of Cantor and the Company, as applicable, subject to such terms and conditions (including without limitation with respect to forfeiture or surrender of any of the shares of Class A Common Stock received upon exchange) as Cantor and the Company may determine. While Cantor and the Company may take into account an employee's performance, adherence to partnership and employment requirements, and other factors in exercising their exclusive discretion to turn on the exchangeability of the employee's units and grant him or her Other Stock-Based Awards for that purpose, employees themselves have no say in Cantor's and the Company's discretionary decisions.

What Is Qualified Performance-Based Compensation?

The Internal Revenue Code of 1986, as amended (the "Code"), limits our ability to deduct a portion of the compensation paid to our principal executive officer and certain of our other most highly compensated executive officers if any of them receives compensation in an amount that exceeds \$1 million for a calendar year. The Code provides an exception from this limit if the excess compensation meets the requirements of qualified performance-based compensation. Stock options and stock appreciation rights granted under the Plan will generally qualify for this exception. Restricted stock, deferred stock, including RSUs, bonus stock, dividend equivalents, and Other Stock-Based Awards will meet this exception if they meet the requirements for qualified performance-based compensation. If you are granted Awards that are intended to be qualified as performance-based compensation, the performance goals designated by the Committee must be met in order for the qualified performance-based compensation to be payable.

How Will I Know the Performance Goals for My Award?

The Committee will establish the performance goals for Awards constituting qualified performance-based compensation, the performance period during which performance will be measured, the maximum amounts that may be paid if performance goals are met, and any other conditions that the Committee deems appropriate and consistent with the Plan, the Code, and other requirements. The Committee will establish the performance goals for qualified performance-based compensation in writing at the beginning of the performance period, or such other date that is permitted under the applicable regulations under the Code. The performance goals may relate to Company-wide, subsidiary, division, operating unit or individual financial and operating measures. The performance goals will be based on objective criteria such as pre-tax or after-tax net income, pre-tax or after-tax operating income, gross revenue, profit margin, stock price, cash flows, market share, pre-tax or after-tax earnings per share, pre-tax or after-tax operating earnings per share, expenses, return on equity, or strategic business criteria consisting of one or more objectives based on meeting specific revenue, market penetration, geographic business expansion, or cost goals, or goals relating to acquisitions or divestitures.

When Will I Find Out If the Performance Goals for My Award Have Been Met?

If the performance goals for a performance period are met, Awards subject to such performance goals will be paid at or following the end of the performance period for the Award. Any awards that are to be paid out as a result of the achievement of performance goals will be paid as specified in your Award Agreement.

What Happens If the Performance Goals for My Award Are Not Met?

If the performance goals for a performance period are not met, Awards subject to such performance goals will be forfeited.

What Effect Does a Change in Control of the Company Have on My Awards?

If a change in control (as defined in the Plan) occurs, except as otherwise set forth in an Award Agreement, all conditions and/or restrictions relating to the continued performance of services and/or the achievement of performance goals with respect to the exerciseability or full enjoyment of an Award will accelerate or otherwise lapse immediately prior to the change in control.

May the Plan or an Award Be Amended or Terminated?

Our Board may amend, alter, suspend, discontinue, or terminate the Plan, the Committee's authority to grant Awards under the Plan, and any Award at any time. However, our stockholders must approve any such Plan action for which stockholder approval is required under the Code, under applicable law, or to comply with applicable stock exchange requirements. Any such action may not materially impair any of your outstanding Awards without your consent unless such right has been reserved in the Plan or the Award Agreement.

Are Awards Transferable?

Awards and other rights under the Plan are not transferable except by will or the laws of descent and distribution, to a beneficiary in the event of your death, or as permitted by the Committee. Such Awards and other rights under the Plan may not be pledged, mortgaged, hypothecated, or otherwise encumbered, or otherwise subject to the claims of creditors. Incentive stock options and stock appreciation rights in tandem with incentive stock options may be exercised during your lifetime only by you (or your legal guardian or representative).

If I Receive Shares of Class A Common Stock That Are Not Subject to Restrictions Under the Plan, or If Any Restrictions Under the Plan Have Lapsed, Am I Free to Sell the Shares?

We have filed Form S-8 Registration Statements with the SEC covering our offer and sale of shares of Class A Common Stock to participants under the Plan. This means that you will receive registered shares of Class A Common Stock, which you can then sell, subject to limitations described below. (Even though registered for sale to participants on Form S-8 Registration Statements, RSUs and Other Stock-Based Awards, as opposed to the underlying shares of Class A Common Stock, are not transferable.)

If for any reason your purchase or transfer of shares of Class A Common Stock acquired pursuant to an Award would not meet applicable legal requirements, the Committee may prevent the issuance or transfer of such shares to you until all applicable legal requirements have been complied with to the Committee's satisfaction. If necessary, the Committee may require that your stock certificates have a notation indicating any restrictions on your subsequent transfer. We do not currently believe that any such restrictions will be required, but the Committee reserves the right to impose such restrictions as may be appropriate to comply with applicable law.

Moreover, if you are an "affiliate" of the Company, you will be subject to limitations on your transfer of shares of Class A Common Stock acquired pursuant to an Award. You are an affiliate if you control the Company. "Control" for this purpose means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of the Company. Typically, affiliates include all directors and executive officers of a company. Affiliates may not sell shares unless such sales are made in connection with an effective registration statement under the Securities Act or an exemption from the registration requirements of the Securities Act. Affiliates generally may sell shares without registration if the sale satisfies the conditions of Rule 144 under the Securities Act.

Section 16 of the Exchange Act contains provisions which, among other things, require any person who is an executive officer or director of the Company, or a beneficial owner of more than 10% of the Class A Common Stock, to report to the SEC changes in his or her ownership of our equity securities. In addition, Section 16 provides that such persons may be liable to us for profits realized from any purchase and sale (or any sale and purchase) of our equity securities within a period of less than six months, regardless of the intention on the part of the person in engaging in the transactions. If you are subject to Section 16, you may incur substantial liabilities in connection with transactions in our equity securities, including our derivative securities such as stock options, stock appreciation rights, RSUs, and Other Stock-Based Awards, including those granted in connection with exchangeable Working Partner Units (including RPUs, PSUs and PSIs), REUs, or other partnership units issued by BGC Holdings and compensatory Founding Partner Units issued by BGC Holdings. Although the Plan has been structured to comply with certain exemptions from the application of these liability provisions, including Rule 16b-3 under the Exchange Act, transactions involving our equity securities may nevertheless result in liability.

In addition, your transactions in shares of Class A Common Stock may be subject to preclearance and other limitations under our policies relating to trading in our securities. Moreover, there may be certain times during the year when you may be prohibited from selling shares acquired under the Plan because of our insider trading policies, certain blackout periods affecting our shares, lock-up agreements, or other limitations imposed by applicable securities laws, Company policies, or contracts.

Before acquiring or disposing of any of our shares of Class A Common Stock, you should review your Award Agreement and other related documents, as well as our policies regarding transactions in our securities, and consult with the General Counsel's office or the Compliance Department as to your status as an affiliate, the applicability of Section 16 under the Exchange Act, or any other restrictions on your ability to buy or sell our securities.

If I Am Subject to Taxation Outside of the United States, May the Terms of My Awards Differ From Those Described Above?

Yes. If you are subject to taxation in a country other than the United States, the Committee may make Awards on such terms and conditions as the Committee deems appropriate to comply with the laws of the applicable country, including the adoption of sub-plans under the Plan. If appropriate, you will be provided with a supplement to this memorandum describing such subplans.

What Are the Income Tax Consequences of My Awards?

The current federal income tax treatment of Awards in the United States and the tax treatment in the United Kingdom of certain Awards are generally described below. This description of tax consequences is not a complete description. There may be different income tax consequences under certain circumstances, and there may be gift and estate tax consequences as well. Local, state and other taxing authorities may also tax Awards. If you are subject to taxation outside the United States and United Kingdom, you may consult the information contained in the tax supplement for your local jurisdiction which is either included herewith or available from Partnership Administration, which contains certain information.

Tax laws are subject to change. You are urged to consult with your personal tax advisor concerning the application of the general principles discussed below and the application of other tax laws to your own situation.

United States

The Plan is not subject to the Employee Retirement Income Security Act of 1974 and is not a tax-qualified plan under Section 401 of the Code. The United States federal income tax treatment of Awards is generally as follows:

Nonqualified Stock Options

There generally are no federal income tax consequences to you or to us upon the grant or vesting of nonqualified stock options.

Upon the exercise of nonqualified stock options, you generally will recognize ordinary income in an amount equal to the excess of the fair market value of the shares of Class A Common Stock received at the time of exercise over the exercise price. We generally will be entitled to a corresponding federal income tax deduction.

Upon the sale of the shares of Class A Common Stock acquired upon the exercise of nonqualified stock options, you will have a capital gain (or loss) in an amount equal to the amount by which the amount realized on the sale exceeds (or is less than) your tax basis in the shares (the exercise price plus the amount of income recognized at the time of exercise). The gain, if any, will be long-term or short-term capital gain, depending upon the length of time you held the shares prior to such sale.

Except as described below with respect to incentive stock options, if you surrender shares of Class A Common Stock that you currently own to pay the exercise price for nonqualified stock options, you will not recognize any gain or loss on the surrendered shares, and your basis and holding period for purposes of capital gains in the surrendered shares will be transferred to that number of new shares that equals the number of old surrendered shares. If the number of shares you receive exceeds the number of shares that you surrendered, the fair market value of the excess shares on the date of exercise, reduced by any cash paid by you upon exercise, is included in your gross income in the year of exercise and taxed to you as ordinary income. Your basis in the excess shares will equal the sum of the cash paid by you upon the exercise of the nonqualified stock options plus any amount included in your gross income as a result of the exercise of the stock options, and your holding period for purposes of capital gains in the excess shares will begin on the date you acquired the excess shares.

Incentive Stock Options

There generally are no federal income tax consequences to you or to us upon the grant or vesting of incentive stock options.

You will not recognize income for purposes of the regular federal income tax upon the exercise of incentive stock options. However, in the year in which you exercise incentive stock options, the amount by which the fair market value of the shares of Class A Common Stock acquired upon exercise exceeds the exercise price will be included in your alternative minimum taxable income.

You will recognize income when you sell shares of Class A Common Stock acquired upon exercise of incentive stock options. If you dispose of the shares acquired upon exercise of incentive stock options after two years from the date the stock options were granted and after one year from the date the shares were transferred to you upon the exercise of the options, you will recognize long-term capital gain (or loss) in an amount equal to the amount by which the amount realized on the sale exceeds (or is less than) the exercise price. We will not be entitled to any corresponding tax deduction.

If you dispose of shares of Class A Common Stock acquired upon your exercise of incentive stock options before satisfying both holding period requirements (a disqualifying disposition), your gain recognized on the disqualifying disposition will be taxed as ordinary income to the extent of the difference between the fair market value of the shares on the date of exercise (or the amount realized on the disposition, if less) and the exercise price, and we generally will be entitled to a tax deduction in that amount. The gain, if any, in excess of the amount recognized as ordinary income will be long-term or short-term capital gain, depending upon the length of time you held your shares before the disqualifying disposition. You must notify us of any disqualifying disposition.

If you surrender shares of Class A Common Stock received upon the prior exercise of incentive stock options to pay the exercise price of any stock options within either the two-year or one-year holding

periods described above, the disqualifying disposition of the shares used to pay the exercise price will result in income (or loss) to you and, to the extent of recognized income, a tax deduction to us. If you surrender incentive stock option shares after the holding period requirements are met, or if you surrender shares that were not received upon the exercise of incentive stock options, you will recognize no gain (or loss) on the surrendered shares, and your basis and the holding period for capital gains tax treatment for the surrendered shares will continue to apply to that number of new shares that is equal to the surrendered shares. Your holding period for purposes of determining whether you have a disqualifying disposition for the new shares when you sell the shares will begin on the date the incentive stock options were exercised. To the extent that the number of shares received exceeds the number of shares surrendered, your basis in the excess shares will equal the amount of cash, if any, paid for such excess shares, and your holding period with respect to the excess shares will begin on the date the stock options were exercised.

Stock Appreciation Rights

There generally are no federal income tax consequences to you or to us upon the grant or vesting of stock appreciation rights. Upon exercise of stock appreciation rights, you will recognize ordinary income equal to the cash received and the fair market value of any shares of Class A Common Stock received. We generally will be entitled to a corresponding tax deduction at the time of exercise of the stock appreciation rights.

When you sell shares of Class A Common Stock acquired upon the exercise of stock appreciation rights, you will have a capital gain (or loss) in an amount equal to the amount by which the amount realized upon the sale exceeds (or is less than) your tax basis in the shares (the amount of ordinary income recognized by you at the time of exercise of the stock appreciation rights). The gain, if any, will be long-term or short-term capital gain, depending upon the length of time you held the shares prior to such sale.

Restricted Stock

If you receive shares of Class A Common Stock as restricted stock, you generally will not recognize taxable income, and we will not be entitled to a tax deduction, until the shares are transferable by you or are no longer subject to a substantial risk of forfeiture for federal income tax purposes, whichever occurs earlier. When the shares are either transferable or are no longer subject to a substantial risk of forfeiture, you will recognize ordinary income in an amount equal to the fair market value of the shares (less any amounts you paid for the shares) at that time, and we generally will be entitled to a tax deduction in the same amount.

However, you may elect to recognize ordinary income in the year in which the restricted stock is granted to you in an amount equal to the fair market value of the shares of Class A Common Stock subject to the grant (less any amounts you paid for the shares) at that time, determined without regard to any restrictions, provided that you do so no later than 30 days after the date of grant. In that event, we generally will be entitled to a corresponding tax deduction in the same year. Any gain or loss recognized by you upon a later disposition of the shares will be capital gain or loss. This election is commonly referred to as an “83(b) election.”

When you sell shares of Class A Common Stock received pursuant to a restricted stock award, you will have a capital gain (or loss) in an amount equal to the amount by which the amount realized upon the sale exceeds (or is less than) your tax basis in the shares (the amount of ordinary income recognized by you at the time of vesting of the shares or value recognized at the time you were granted the shares, if you previously made the 83(b) election to recognize the income on such shares at the time of grant). The gain, if any, will be either long-term or short-term capital gain, depending upon the length of time you held the shares prior to such sale.

Deferred Stock or RSUs

If you receive deferred stock or RSUs, you will not recognize taxable income, and we will not be entitled to a tax deduction, until the deferred stock or RSUs are paid out in shares of Class A Common Stock. At that time, you will recognize ordinary income equal to the fair market value of the shares received (less any amounts you paid for the deferred stock or RSUs). We generally will be entitled to a corresponding tax deduction at the time of payment. You may not make an “83(b) election” with respect to deferred stock, including RSUs.

When you sell shares of Class A Common Stock received pursuant to your deferred stock or RSUs, you will have a capital gain (or loss) in an amount equal to the difference between the amount realized upon the sale and your tax basis in the shares (the amount of ordinary income, if any, recognized by you at the time of receipt of the shares). The gain, if any, will be either long-term or short-term capital gain, depending upon the length of time you held the shares prior to such sale.

Stock Granted as a Bonus or in Lieu of Other Awards

Stock granted as a bonus or in lieu of other awards will be taxed similar to restricted stock or similar to deferred stock or RSUs (see above discussions), depending upon its terms and conditions.

Dividend Equivalents

If you receive dividend equivalents, you will not recognize taxable income, and we will not be entitled to a tax deduction, at the time of grant. When the dividend equivalents are paid to you, you will recognize ordinary income equal to the cash received and the fair market value of any shares of Class A Common Stock received. We generally will be entitled to a corresponding tax deduction at the time of payment. Dividend equivalents will not be eligible for the lower tax rate applicable to certain qualified dividends.

When you sell shares of Class A Common Stock received pursuant to a dividend equivalent, you will have a capital gain (or loss) in an amount equal to the amount by which the amount realized upon the sale exceeds (or is less than) your tax basis in the shares (the amount of ordinary income recognized by you at the time of receipt of the shares). The gain, if any, will be either long-term or short-term capital gain, depending upon the length of time you held the shares prior to such sale.

Other Stock-Based Awards

Other Stock-Based Awards Granted Other Than in Connection with BGC Holdings Units. If you receive Other Stock-Based Awards, other than in connection with exchangeable Working Partner Units, REUs and Founding Partner Units, you generally will not recognize ordinary income upon the grant or vesting of the Awards. You will, however, recognize such income when the Awards are paid or settled, in an amount equal to the cash and the fair market value of any shares of Class A Common Stock received (less any amounts you paid for the Awards). You generally may not make an “83(b) election” with respect to Other Stock-Based Awards.

Other Stock-Based Award Granted in Connection with REUs, RPUs, PSUs and PSIs. The tax treatment of Other Stock-Based Awards providing the right to acquire shares of Class A Common Stock upon the exchange of REUs, RPUs, PSUs and PSIs is uncertain.

One possible treatment of such a grant of Other Stock-Based Awards is as the equivalent of the grant by us of nonqualified stock options to acquire shares of Class A Common Stock. Consistent with this treatment, you generally would not recognize ordinary income upon the grant or vesting of the Other Stock-Based Awards rights to exchange such units for shares, whether you receive such exchange rights at the time that you receive the units or after you have held the units for some time. Also consistent with this treatment, you would recognize ordinary income upon the exercise of your exchange rights for shares of Class A Common Stock. Generally, such income would equal the amount, if any, by which the fair market value of the shares received in the exchange exceeds the fair market value, as of the date of

exchange, of the units exchanged. (The fair market value of units exchanged is discussed below.) In addition, to the extent that the fair market value of your units exercised, as of the date of exchange, exceeds (or is less than) your tax basis in those units, you would recognize long-term or short-term capital gain (or loss) upon the exchange, depending upon your holding period for the units, in an amount equal to the amount by which, as of the date of exchange, the fair market value of the units exceeds (or is less than) your tax basis in the units. (The tax basis of units exchanged is also discussed below.) Your tax basis in the shares of Class A Common Stock received in exchange for the units would be equal to the fair market value of the shares received, with your holding period in the shares beginning on the date of the exchange.

We treat REUs, RPU, PSUs and PSIs as “profits interests” in BGC Holdings under Revenue Procedures 93-27 and 2001-43, and as a result treat the grant or vesting of such units as not resulting in ordinary income to you at the time of grant or vesting. The determination as to whether such units constitute “profits interests” is, however, inherently factual, and there can be no assurance that the Internal Revenue Service (the “IRS”) will not contend that such units, as of the date of grant or vesting (including any right to receive future post-termination payments), reflect an interest in the capital of BGC Holdings, and as such would result in ordinary income upon the grant or vesting of the units. In addition, there may be uncertainty regarding the treatment of such units as “profits interests” if, pursuant to the simultaneous or later grant of Other Stock-Based Award exchange rights, the units are exchanged for shares of Class A Common Stock within two years after the grant or vesting date of the units. Consistent with the treatment of these units as “profits interests”, your initial tax basis in the units will be zero, with your tax basis in the units increased thereafter by taxable income allocated to you by BGC Holdings and decreased by tax losses allocated to you and distributions made to you by BGC Holdings.

The determination of fair market value of REUs, RPU, PSUs and PSIs exchanged for shares of Class A Common Stock, as of the date of exchange, is a question of fact upon which the Company offers no opinion. Based upon the treatment of these units as “profits interests”, the IRS may view these units as

having a value only to the extent of the increase since the date of grant, if any, in your Adjusted Capital Account (as such term is defined in the BGC Holdings partnership agreement) in BGC Holdings at the time of the exchange.

In the alternative, the grant of Other Stock-Based Awards providing the right to acquire shares of Class A Common Stock upon the exchange of REUs, RPU, PSUs and PSIs may be treated as not constituting a taxable event, but not the equivalent of the grant by us of nonqualified stock options to acquire such shares. Consistent with this treatment, you generally would not recognize ordinary income upon the grant or vesting of the right to exchange the units for shares. Also consistent with this treatment, the exchange would be treated as a taxable exchange of a capital asset, rather than the receipt of ordinary income. In such event, you would recognize short- or long-term capital gain (or loss) upon the exchange, depending upon your holding period for the units, in the same manner and amount as you would recognize on a sale of such units for cash, in an amount equal to the fair market value of the shares of Class A Common Stock received in exchange for such units, and would obtain a tax basis in the shares reflecting such fair market value, with your holding period in the shares beginning on the date of the exchange.

Although the grant or vesting of such Other Stock-Based Award exchange rights in connection with BGC Holdings units will not otherwise alter your rights as a holder of the units, the IRS may contend that such event effects a shifting of BGC Holdings capital for your benefit in connection with your services to BGC Holdings or its affiliates, resulting in compensation income to you as of the date that the exchange rights are granted or vest.

Other Stock-Based Awards Granted in Connection with Other Working Partner Units and Founding Partner Units. The grant or vesting of Other Stock-Based Awards providing the right to acquire shares of Class A Common Stock issuable upon the exchange of Working Partner Units, other than RPU, PSUs and PSIs, and Founding Partner Units is not expected, in general, to constitute a taxable event (subject to other possible characterizations of the grant or vesting of the right, as noted below).

In general, the exchange of such Working Partner Units or Founding Partner Units for shares of Class A Common Stock will be treated as a taxable exchange of a capital asset, rather than the receipt of ordinary income. In such event, you will recognize short- or long-term capital gain or loss on the exchange, depending upon your holding period for the units, in the same manner and the same amount as you would recognize on a sale of such units for cash in an amount equal to the fair market value of the shares of Class A Common Stock received in exchange for such units, and will obtain a tax basis in the shares reflecting such fair market value, and your holding period in the shares would begin on the date of the exchange.

There is a risk, however, that the IRS may contend that the grant of the right to exchange such Working Partner Units or Founding Partner Units for shares of Class A Common Stock to you, as a person that is or will be performing, or has performed services for BGC Holdings or its affiliates, or the vesting or exercise of that right, results in ordinary income for you as of the date that your exchange right is granted, vests or is exercised.

Other Tax Consequences That May Apply to Other Stock-Based Awards. In the event that you recognize ordinary income in connection with your Other Stock-Based Awards, including upon the grant or vesting of the Awards or upon the exchange of your BGC Holdings units for shares of Class A Common Stock, you will be subject to applicable withholding relating to income and employment taxes (see discussion below under “Tax Withholding”). In addition, by the terms of the BGC Holdings units, we may require that a portion of the shares of Class A Common Stock received upon exchange of such units be sold to provide a source of funds to satisfy these withholding taxes and any debt obligations that you may owe in respect of your units.

Other Stock-Based Awards may also be subject to the requirements of section 409A of the Code (see discussion below under “Section 409A”).

We generally will be entitled to a corresponding tax deduction at the time that you recognize any ordinary income with respect to an Other Stock-Based Award.

When you sell shares of Class A Common Stock acquired pursuant to Other Stock-Based Awards, you will have a capital gain (or loss) in an amount equal to the difference between the amount realized upon the sale and your tax basis in the shares. The gain, if any, will be either long-term or short-term capital gain, depending upon the length of time you held the shares prior to such sale.

Tax Withholding

We have the right under the Plan to require that you or any other person receiving or exercising your rights under any Award pay to us the amount of any federal, state, foreign and local taxes we are required to withhold with respect to your Awards. In addition, we may deduct from other wages or salary payable to you the amount of any withholding taxes with respect to such Awards. The Committee may permit you to satisfy applicable tax withholding obligations by withholding shares of Class A Common Stock subject to the Award, the value of which does not exceed your minimum applicable withholding tax rate for federal (including employment taxes), state, foreign and local tax liabilities. With respect to any required tax withholding that exceeds the minimum applicable withholding tax rate, the Committee may permit you to transfer shares of Class A Common Stock previously acquired by you to satisfy such excess obligation, provided that you have held such shares for a sufficient period of time for us to avoid adverse tax and accounting consequences and such transfer is in compliance with the terms and conditions determined by the Committee.

Section 409A

Section 409A of the Code will apply to any Awards that are deemed to be deferred compensation or otherwise result in deferred compensation. Stock options and stock appreciation rights granted under the Plan will generally not be subject to section 409A as long as the exercise price of the stock options

and base amount of the stock appreciation rights are not less than the fair market value of the underlying shares of Class A Common Stock on the date of grant, and restricted stock and bonus stock generally will not be subject to section 409A as long as payment to you is not deferred beyond the date that the restrictions on transferability or substantial risk of forfeiture expire. Deferred stock, including RSUs, dividend equivalents, and Other Stock-Based Awards will generally not be subject to the requirements of section 409A unless the recognition of income by you occurs in any calendar year after the year in which such Awards become vested or payable. In general, “profit interests” also are not subject to section 409A. If the grant of Other Stock-Based Awards providing the right to acquire shares of Class A Common Stock upon the exchange of BGC Holdings units is not treated as compensatory, but the vesting or exercise of that right is treated as compensatory, section 409A may apply to such Other Stock-Based Awards.

If the requirements of section 409A are not met with respect to Awards subject to section 409A, you may be required to currently include the total amount of the deferred compensation in your taxable income, and additional taxes may be assessed on such amounts, including interest and an additional 20% income tax. While we intend that Awards either will not be subject to, or will comply with, section 409A, you should consult your personal tax advisor for further guidance with respect to section 409A. and its potential impact on your Awards.

United Kingdom

The following is a general summary of the material United Kingdom (“UK”) tax consequences for individuals who are resident, ordinarily resident and domiciled for tax purposes in the UK, and employed by, and working in the UK for, BGC Holdings or any of its affiliates (“UK Individuals”), which is based on BGC Holdings’ understanding of current UK law and HM Revenue & Customs practice, both as at 12 March 2010, and both of which are subject to change, possibly with retrospective effect.

Stock Options. There are no income tax consequences to a UK Individual upon the grant or vesting of stock options under the Plan. As all options granted under the Plan are unapproved options, at the time of exercise a UK Individual will recognize taxable income (at their marginal rate) on the excess of the market value of the shares of Class A Common Stock received at the time of their acquisition over the exercise price of the option (the “Taxable Amount”). A UK Individual is liable for social security contributions on the Taxable Amount, which for higher rate income taxpayers will generally be 1% at current rates. Withholding of income tax and social security contributions on the Taxable Amount is required. We are required to make a report on Form 42 to HM Revenue & Customs reflecting the Taxable Amount recognized by a UK Individual and the subscription for Class A Common Stock. Information may also be reported by us on P11D (annual benefit statements), P35 (employer’s annual return) and P14 (individual end of year returns) reportings.

Other Stock-Based Awards

The following is a general summary of the material United Kingdom (“UK”) tax consequences for individuals who are resident, ordinarily resident and domiciled for tax purposes in the UK, and employed by, and working in the UK for, BGC Holdings or any of its affiliates (“UK Partners”), which is based on BGC Holdings’ understanding of current UK law and HM Revenue & Customs practice, both as at 12 March 2010, and both of which are subject to change, possibly with retrospective effect

Grant of Other Stock Based Awards in connection with Right to Exchange PSUs or PSIs for Shares. BGC Holdings considers that an Other Stock Based Award granted in connection with the exchange of PSUs and/or PSIs (as relevant) for shares of the Company’s stock constitutes the grant of a right to acquire the shares. On that basis, the grant of such a right to a UK Partner is not expected to give rise to a UK tax liability.

Exchange of PSUs/PSIs for Shares. Where PSUs and/or PSIs (as relevant) are exchanged for shares which are subject to restrictions on their sale (other than ordinary blackout restrictions), UK

Partners will be required to make a joint election with their employer under Section 431 of the Income Tax (Earnings and Pensions) Act 2003 (a “Section 431 Election”). The effect of such an election is that the receipt of shares which are subject to restrictions on sale will be taxed as if they were not so restricted and subsequent profits and gains on such shares will fall outside the employment income tax regime.

Consequently, on exercise of the right to acquire shares in exchange for PSUs and/or PSIs (as relevant) (regardless of whether or not the shares are subject to restrictions on sale), UK Partners will be subject to income tax as employment income on an amount equal to (i) the market value of the shares at the time of exchange (ignoring any restrictions on their sale, where a Section 431 Election has been made), less (ii) the amount of any employer National Insurance contributions borne by the UK Partner in respect of the acquisition of shares pursuant to the exchange. For these purposes, the market value of the shares will be taken as the closing price on the day the relevant shares are issued. In practice, where shares are sold on the same day as they are acquired, HM Revenue & Customs (“HMRC”) accept that the sale price obtained for the shares may be taken as the market value.

UK Partners who are subject to income tax as employment income on the receipt of shares pursuant to an exchange will also be liable to pay employee National Insurance contributions (which for higher rate income taxpayers will generally be 1 per cent. at current rates) on the market value of the shares at the time they are received. In addition, such UK Partners are required to pay or bear on behalf of their employer, or reimburse their employer for all or part (as BGC Holdings shall require) of any employer’s National Insurance contributions (at the rate of, currently, 12.8%) arising in respect of the receipt of shares.

BGC Holdings considers that the exchange of PSUs and/or PSIs (as relevant) held by a UK Partner should not give rise to further UK tax liability. In particular, provided that no adjustment has been made through the BGC Holdings accounts, no chargeable gain for UK capital gains tax (“CGT”) purposes should accrue to a UK Partner in respect of any disposals of a fractional share in each of the

assets of BGC Holdings referable to the UK Partner's interest in the BGC Holdings represented by that Partner's PSUs and/or PSIs (as relevant).

Withholding Obligations. Employers are generally be under an obligation to withhold and account for some or all of the income tax and employee National Insurance contributions payable in respect of the receipt of shares. In addition, as mentioned above, UK Partners will be required to authorise a deduction or withholding on account of a part of the employer National Insurance contributions. The employer (or an affiliate) will be entitled to withhold or recover such amounts from the recipient in the following ways:

- by requiring the sale of such number of shares otherwise receivable as have a market value up to the amount of income tax and National Insurance contributions which have been or will be payable by the employer (whether pursuant to its Pay As You Earn obligations or otherwise);
- by withholding from the cash earnings of the recipient in the same tax period as the shares are received;
- by withholding such number of shares otherwise receivable as have a market value up to the amount of income tax and National Insurance contributions which have been or will be payable by the employer (whether pursuant to its Pay As You Earn obligations or otherwise); or
- directly from the recipient through payment by the recipient to the relevant employer (or affiliate) of an amount equal to the income tax and National Insurance contributions due.

Disposal of Shares acquired pursuant to an Exchange of PSUs/PSIs. UK Partners who are subject to income tax on the receipt of shares acquired pursuant to an exchange of PSUs and/or PSIs (as relevant) for shares as described above should obtain a base cost for capital gains tax ("CGT") purposes in such shares of an amount equal to the market value of the shares at the time of their acquisition. Upon a subsequent sale or other disposal of the shares, such UK Partners may, depending on their circumstances

(including the availability of exemptions or reliefs), be liable to CGT on the excess of their disposal proceeds over their base cost in the shares.

Grant of Other Stock-Based Awards in connection with Right to Exchange Founding Partner Units for Shares. BGC Holdings considers that an Other Stock-Based Award granted in connection with the exchange of Founding Partner Units for shares of the Company's stock constitutes the grant of a right to acquire the shares. On that basis, the grant of such a right to a UK Partner is not expected to give rise to a UK tax liability.

Exchange of Founding Partner Units for Shares. Where Founding Partner Units are exchanged for shares which are subject to restrictions on their sale (other than ordinary blackout restrictions), UK Partners will be required to make a joint election with their employer under Section 431 of the Income Tax (Earnings and Pensions) Act 2003 (a "Section 431 Election"). The effect of such an election is that the receipt of shares which are subject to restrictions on sale will be taxed as if they were not so restricted and subsequent profits and gains on such shares will fall outside the employment income tax regime.

Consequently, on exercise of the right to acquire shares in exchange for Founding Partner Units (regardless of whether or not the shares are subject to restrictions on sale), UK Partners will be subject to income tax as employment income on an amount equal to (i) the market value of the shares at the time of exchange (ignoring any restrictions on their sale, where a Section 431 Election has been made), less (ii) the market value of the Founding Partner Units exchanged for shares and less (iii) the amount of any employer National Insurance contributions borne by the UK Partner in respect of the acquisition of shares pursuant to the exchange. BGC Holdings expects that the market value of Founding Partner Units should generally correspond to the appropriate fraction of the capital account balance associated with such Founding Partner Units. For these purposes, the market value of the shares will be taken as the closing price on the day the relevant shares are issued. In practice, where shares are sold on the same day as they

are acquired, HM Revenue & Customs (“HMRC”) accept that the sale price obtained for the shares may be taken as the market value.

Withholding Obligations. The comments regarding the obligation of employers to withhold and account for some or all of the income tax and National Insurance contributions payable in respect of the receipt of shares made above apply equally in this context.

Disposal of Shares acquired pursuant to an Exchange of Founding Partner Units. UK Partners who are subject to income tax on the receipt of shares acquired pursuant to an exchange of Founding Partner Units for shares as described above should obtain a base cost for CGT purposes in such shares of an amount equal to the market value of the shares at the time of their acquisition. Upon a subsequent sale or other disposal of the shares, such UK Partners may, depending on their circumstances (including the availability of exemptions or reliefs), be liable to CGT on the excess of their disposal proceeds over their base cost in the shares.

Where Can I Find Additional Information About the Company and the Plan and the Offering?

At your request, which can be made orally or in writing, we will provide to you, without charge, additional documents concerning us, the Plan, and the offering under it. Such documents include:

- Our most recent annual report to stockholders and other stockholder communications that the SEC requires us to distribute to you;
- An additional copy of this memorandum, any subsequent amendments or supplements to this memorandum, and any other documents constituting part of the prospectus for the Plan and the offering; and
- Documents that are “incorporated by reference” in the Form S-8 Registration Statements (Reg. Nos. 333-34324, 333-109121, 333-162362 and 333-163897) that we

filed with the SEC to register the offer and sale of shares of Class A Common Stock and RSUs and Other Stock-Based Awards under the Plan (except that exhibits to such documents will not be provided without charge unless such exhibits are specifically incorporated by reference into such documents).

The SEC allows us to “incorporate by reference” into this memorandum the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this memorandum, and later information filed with the SEC will update and supersede such information. We incorporate by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Exchange Act until we file post-effective amendments to the Form S-8 Registration Statements that indicate that all securities offered by this memorandum have been sold or deregistering all securities remaining unsold. Unless expressly incorporated into the Registration Statements, a report furnished but not filed on Form 8-K will not be incorporated by reference into the Registration Statements.

The previously filed documents that we incorporate by reference into this memorandum are:

1. Our Annual Report on Form 10-K for the fiscal year ended December 31, 2009 filed with the SEC on March 16, 2010;
2. Our Current Reports on Form 8-K filed with the SEC on March 3, March 25, March 31, April 7, April 30, May 6, June 2, July 1 and August 4, 2010;
3. The description of our Class A Common Stock contained in our Registration Statement under the Exchange Act on Form 8-A (File No. 000-28191), filed with the SEC on November 17, 1999, as amended on Form 8-A/A, filed with the SEC on

March 7, 2001, including any additional amendment or report filed for the purpose of updating such description; and

4. The description of RSUs and Other Stock-Based Awards contained in our Form S-8 Registration Statement (Reg. No. 333-163897) filed with the SEC on December 21, 2009.

To Whom Should I Direct a Request for Copies of These Documents or for Further Information Concerning Us, including the Committee, the Plan, or the Offering?

Please direct your requests to:

BGC Partners, Inc.

Attn: HR Department

499 Park Avenue

New York, NY 10022

(212-829-5221)

This memorandum is intended to provide a summary of the Plan, and in the event of any conflict between the terms of the Plan and this memorandum, the terms of the Plan will govern.

You should rely only on the information provided by or incorporated by reference in this memorandum or any amendment or supplement to this memorandum. We have authorized no one to provide you with different information. We are not making an offer of these securities in any state or other jurisdiction where the offer is not permitted.

Enclosure: BGC Partners, Inc. Second Amended and Restated Long Term Incentive Plan