Meritage Homes CORP
Form 4
August 14, 2007

FORM 4

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB Number:	3235-0287
Expires:	January 31, 2005
Estimated average burden hours per response...	0.5

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

(Print or Type Responses)

1. Name and Address of Reporting Person *
SARVER ROBERT GARY

(Last) (First) (Middle)

(Street)

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
Meritage Homes CORP [MTH]

3. Date of Earliest Transaction (Month/Day/Year)
08/13/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	08/13/2007		P		1,200	A	$ 19.37	918,200	I	See note (1)
Common Stock	08/13/2007		P		1,100	A	$ 19.38	919,300	I	See note (1)
Common Stock	08/13/2007		P		5,000	A	$ 19.4	924,300	I	See note (1)
Common Stock	08/13/2007		P		300	A	$ 19.41	924,600	I	See note (1)
Common Stock	08/13/2007		P		2,200	A	$ 19.42	926,800	I	See note (1)
	08/13/2007		P		2,500	A	$ 19.5	929,300	I	

Common Stock								See note (1)
Common Stock	08/13/2007	P	225	A	$ 19.63	929,525	I	See note (1)
Common Stock	08/13/2007	P	2,275	A	$ 19.65	931,800	I	See note (1)
Common Stock	08/13/2007	P	1,000	A	$ 19.99	932,800	I	See note (1)
Common Stock	08/13/2007	P	311	A	$ 20.1	933,111	I	See note (1)
Common Stock	08/13/2007	P	689	A	$ 20.13	933,800	I	See note (1)
Common Stock	08/13/2007	P	300	A	$ 20.21	934,100	I	See note (1)
Common Stock	08/13/2007	P	700	A	$ 20.22	934,800	I	See note (1)
Common Stock	08/13/2007	P	1,000	A	$ 20.23	935,800	I	See note (1)
Common Stock	08/13/2007	P	1,000	A	$ 20.6	936,800	I	See note (1)

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SARVER ROBERT GARY		X		

Signatures

Robert G. Sarver	08/14/2007
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) These represent shares purchased by Southwest Value Partners Fund XIV, LP. Mr. Sarver indirectly shares control over the voting, purchase and disposition of these shares. He disclaims any direct pecuniary interest in such shares, and has only an indirect beneficial or pecuniary interest in them.

Remarks:

This is the second of two Form 4s filed to report purchases made on 8/13/2007.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. GN="bottom" STYLE="border-top:1px solid #000000">

Total deferred tax assets

39,168 19,985 6,195

Valuation allowance

(35,690) (16,500) (6,021)

Net deferred tax assets

3,478 3,485 174

Deferred tax liability:

Unrealized gain on investment

1,803 1,803

Fixed assets

2,380 2,931 800

Total deferred tax liabilities		
2,380	4,734	2,603
Net deferred income tax asset (liability)		
$1,098	$(1,249)	$(2,429)

The valuation allowance against deferred tax assets was primarily related to currently non-deductible net operating loss carry-forwards where it appears, more likely than not, that such item will not be realized in the future.

Table of Contents

15. Commitments, Contingencies and Guarantees

Leases

The Division is obligated for minimum rental payments under various non-cancelable operating leases, principally for office space, expiring at various dates through 2021. As of December 31, 2006 minimum lease payments under these arrangements are as follows (in thousands):

	Minimum Lease Payments	Projected Sub-lease Receipts	Net Lease Commitment
2007	$ 22,227	$	$ 22,227
2008	23,360	1,936	21,424
2009	20,125	3,872	16,253
2010	19,654	3,872	15,782
2011	19,138	3,872	15,266
2012 and Thereafter	101,789	18,394	83,395
Total	$ 206,293	$ 31,946	$ 174,347

Certain of the leases contain escalation clauses that require payment of additional rent to the extent of increases in certain operating and other costs. Rent expense for the years ended December 31, 2006, 2005 and 2004 was $19.3 million, $11.0 million and $4.8 million, respectively. Rent expense is included as part of Occupancy and equipment on the accompanying Combined Statements of Operations.

In 2006, the Division established new U.K. offices at One Churchill Place in London. In connection with the London move, the amortization of the leasehold improvements of the current London office was accelerated so as to be fully amortized when the Division finalized the move in 2006. For the years ended December 31, 2006 and 2005, the Division recorded $3.1 million and $3.2 million, respectively, in accelerated depreciation and $11.7 million and $5.3 million, respectively, in net future lease commitments in conjunction with the London office moves.

The Division entered into a sub-lease agreement for the leasehold it vacated at One America Square in July 2005. The Division will not receive any sub-lease rental payments under this arrangement until 2008.

Letter of Credit Agreements

The Division has irrevocable uncollateralized letters of credit with various banks that are used in lieu of margin and deposits with clearing organizations. As of December 31, 2006, the Division is contingently liable for $43.2 million under these letters of credit. The Division pays an average fee of .38% on its letters of credit. As of December 31, 2006, the Division did not have any funds available under these letters of credit. Additionally, as an affiliate of Cantor, the Division has the ability to utilize irrevocable uncollateralized letters of credit facilities, which are guaranteed by Cantor and are available to certain of Cantor s affiliates. The Division can only draw down on these facilities to the extent that there are portions not utilized by other Cantor affiliates.

Legal Matters

In the ordinary course of business, various legal actions are brought and are pending against the Division in the United States and internationally. In some of these actions, substantial amounts are claimed. The Division is also involved, from time to time, in reviews, investigations and proceedings by governmental and self-regulatory agencies (both formal and informal) regarding the Division s business, judgments, settlements, fines, penalties, injunctions or other relief.

Legal reserves are established in accordance with SFAS No. 5, Accounting for Contingencies when a material legal liability is both probable and reasonably estimable. Once established, reserves are adjusted when

FIN-30

Table of Contents

there is more information available or when an event occurs requiring a change. As of December 31, 2006, the Division had legal reserves of approximately $16.5 million pertaining to the employment and competitor-related litigation matters discussed below.

Employment and Competitor-Related Litigation

From time to time, BGC Partners and its affiliates are involved in litigation, claims and arbitrations, in the U.S. and internationally, relating to various employment matters, including with respect to termination of employment, hiring of employees currently or previously employed by its competitors or with respect to terms and conditions of employment and other matters. In light of the competitive nature of the brokerage industry, litigation, claims, and arbitration between competitors regarding employee hiring is not uncommon.

ICAP Australia Pty Ltd., (ICAP Australia), brought proceedings against BGC Partners (Australia) Pty Ltd., which we refer to as BGC Australia, and certain of its employees in Federal Court of Australia, New South Wales District Registry, Australia. In January 2005, ICAP Australia obtained an injunction that restrained BGC Australia from utilizing the services of the ICAP Australia employees hired by BGC Australia, and also restrained it from inducing any breach of a contract of employment between ICAP Australia, and any other employees that were providing services to ICAP Australia on January 28, 2005. ICAP Australia also brought proceedings against its former employees for breach of contract and against BGC Australia for inducing breach of contract and conspiring with certain of its employees to intentionally cause injury to ICAP Australia. Expert evidence has been disclosed by the parties, although this may be revised following further disclosure of documents by the parties on quantum, which took place in March 2007. The parties are currently agreeing the remaining timetable to trial. The trial has been provisionally listed to take place between September 10 and September 28, 2007. The Division reserved an amount it believes to be sufficient to cover the final settlement of the case. The reserve is reflected as part of Accounts payable, accrued and other liabilities on the accompanying Combined Statements of Financial Condition.

In April 2005, ICAP (Hong Kong) Limited, (ICAP Hong Kong), commenced proceedings against BGC Securities (Hong Kong) LLC, BGC Capital Markets (Hong Kong) Limited and thirty-seven other defendants in the High Court of the Hong Kong SAR. In accordance with Hong Kong law, following the resignation of these brokers from ICAP Hong Kong (one of whom later returned to work for ICAP Hong Kong) on March 22, 2005 and certain back office staff on April 1, 2005, BGC Securities (Hong Kong) LLC tendered certain amounts to ICAP Hong Kong to buy out the notice periods under such employees contracts, which ICAP Hong Kong had accepted. ICAP Hong Kong has failed in their injunction applications against the broker defendants and BGC, although it obtained specific undertakings directly from BGC and one of its employees. ICAP Hong Kong has also brought proceedings for damages against BGC and certain of its former employees for a number of claims, including for soliciting and procuring an en masse resignation of employees of ICAP Hong Kong, wrongful receipt and misuse by BGC of information disclosed by two former employees of ICAP Hong Kong relating to the remuneration and personnel details of other employees of ICAP Hong Kong, and conspiracy between BGC and two former employees of ICAP Hong Kong with the intent to injure or cause loss by unlawful means to ICAP Hong Kong. The High Court of the Hong Kong SAR refused a request on December 6, 2005 from ICAP Hong Kong for a split trial between quantum and liability. In addition, ICAP Hong Kong sought to obtain summary judgment against BGC. The High Court of the Hong Kong SAR refused the summary judgment application on November 8, 2006 and ordered that costs be awarded to BGC and the employee defendants. An appeal of the split trial decision was scheduled to take place on December 14, 2006. However, the appeal by ICAP Hong Kong of the split trial decision and the appeal by ICAP Hong Kong of an application for further and better particulars were withdrawn on November 29, 2006, with costs to be awarded to BGC and the employee defendants. An appeal by ICAP Hong Kong of the summary judgment decision is pending. The Division reserved an amount it believes to be sufficient to cover the final settlement of the case. The reserve is reflected as part of Accounts payable, accrued and other liabilities on the accompanying Combined Statements of Financial Condition.

Tullett Prebon (Singapore) Limited (formerly known as Prebon Yamane (Singapore) Limited) and two related companies brought a consolidated action in the Singapore High Court against BGC International

Table of Contents

(Singapore Branch) and fifty-five of its brokers who left Tullett Prebon (Singapore) Limited and had started to work with the Division. Tullett Prebon (Singapore) Limited alleged that BGC International (Singapore Branch) breached certain contracts with Tullett Prebon (Singapore) Limited in February 2005 (and some at a later date in 2005) and that BGC International (Singapore Branch) and certain of its employees conspired together to induce those broker defendants to breach their contracts. Injunction proceedings were brought in February 2005 and although interim injunctions were obtained, these were overturned shortly thereafter. Tullett Prebon (Singapore) Limited sought damages for breach of contract and conspiracy. The trial commenced on October 30, 2006 and finished on November 23, 2006. The claims of Tullett Prebon (Singapore) Limited were settled by agreement on November 23, 2006 (the settlement agreement). Since the settlement was reached, BGC International (Singapore Branch) believes that there have been breaches by Tullett Prebon (Singapore) Limited of the settlement agreement. Tullett Prebon (Singapore) Limited denies committing any breaches of the settlement agreement and seeks as alternative relief reinstatement of its original claims seeking $42 million. On December 22, 2006, the same parties who brought the consolidated action referred to above brought an action in the Singapore High Court against BGC International (Singapore Branch) and the other parties to the settlement agreement. The claim alleges that such parties have breached their obligations under the settlement agreement. BGC International (Singapore Branch) denies these allegations and has issued a defense and counterclaim to pursue its rights in respect of what it believes to be breaches of the settlement agreement by Tullett Prebon (Singapore) Limited. The Division reserved an amount it believes to be sufficient to cover the final settlement of the case. The reserve is reflected as part of Accounts payable, accrued and other liabilities on the accompanying Combined Statements of Financial Condition.

Other Litigation

The National Australia Bank Limited (NAB) has threatened and is expected to soon file a claim against BGCI and BGC Capital Markets (Japan) LLC (formerly known as Cantor Fitzgerald LLC), (BGC Capital Markets (Japan)). From September 2001 through January 2004, NAB employees who traded in foreign exchange options allegedly lost substantial money and allegedly overstated the positions which they held. NAB claims that it was the object of conduct by BGCI and BGC Capital Markets (Japan) and certain traders on NAB s currency options desk, whereby BGCI and BGC Capital Markets (Japan) allegedly provided misleading and deceptive independent revaluation rates to NAB s middle office, which were then purportedly relied upon by NAB. NAB alleges that the supply of these revaluation rates prevented NAB from discovering the true position of the currency options portfolio and that it subsequently sustained trading losses of AUD 311 million (or, based on an exchange rate of 0.7893 at December 31, 2006, approximates $246 million). The 2006 NAB annual report claims that NAB s total loss amounted to AUD 539 million (or, based on an exchange rate of 0.7893 at December 31, 2006, approximately $426 million), implying that its consequential losses amounted to AUD 228 million (or, based on an exchange rate of 0.7893 at December 31, 2006, approximately $180 million). No proceedings have been filed to date. BGCI and BGC Capital Markets (Japan) have investigated and are investigating the legal and factual basis of the NAB allegations. At this time, based on the information provided, BGCI and BGC Capital Markets (Japan) believe that they have substantial defenses in respect of the losses claimed by NAB. Accordingly, BGCI and BGC Capital Markets (Japan) do not believe that they are responsible for the losses claimed by NAB. Nevertheless, if NAB were to bring an action against BGCI and BGC Capital Markets (Japan) and BGCI and BGC Capital Markets (Japan) did not prevail, BGCI and BGC Capital Markets (Japan) could be subject to substantial liability, and in any event, would likely incur significant legal and other costs in connection with the defense of any such action, however, at this time, the Division is unable to estimate a loss or range of losses. The impact of such a loss could be material to the Division s results of operations, financial condition or cash flows.

On February 15, 2006, the SEC issued a formal order of investigation into trading by certain inter-dealer brokers in the government and fixed income securities markets. The formal order alleges that the broker-dealers named therein, including us, (1) may have made fictitious quotations or made false or misleading statements about the prices at which U.S. Treasury or other fixed income securities would be purchased or sold, (2) may have fabricated market quotations or trading activity in U.S. Treasury or other fixed income securities to

Table of Contents

stimulate trading and to generate commissions, (3) may have engaged in front running or interpositioning, (4) may have engaged in fraudulent, deceptive or manipulative acts to induce the purchase or sale of government securities, (5) may have failed to keep and preserve certain books and records as required by the SEC and/or the Treasury and (6) may have failed to supervise with a view to preventing violations of applicable rules and regulations as required by the Exchange Act. BGC is cooperating in the investigation. The Division s management believes that, based on currently available information, the final outcome of the investigation will not have a material adverse effect on the Division s results of operations, financial condition or cash flows.

In December 2006, Nittan Capital Group Limited (Nittan) threatened a claim against Euro Brokers (Switzerland) S.A. (EBS) arising out of a Tokyo-based derivatives brokering arrangement entered into between them pursuant to a written agreement dated as of July 1, 2001. EBS, which had a 57.25% interest in the venture, terminated the agreement by written notice of termination; Nittan and EBS dispute the effective date of termination. Nittan claims that termination of the agreement cannot be effective prior to August 7, 2006, and claims that EBS owes Nittan JPY 149 million (or, based on an exchange rate of .0084020 at December 31, 2006 approximately $1.3 million) for the period October 1, 2005 through March 31, 2006, and indicated that it will also seek to collect additional sums from EBS for the period April 1, 2006 through August 7, 2006. EBS is investigating Nittan s claim and evaluating EBS s defenses, offsets and counterclaims. Nittan have claimed $0.7 million for the period through August 7, 2006. The Division believes that an adequate amount has been reserved for the complete resolution of the matter. The reserve is reflected as part of Accounts payable, accrued and other liabilities on the accompanying Combined Statements of Financial Condition. On March 29, 2007, the Division s lawyers were notified in writing by Nittan s lawyers that they have issued proceedings in the Japanese courts for JPY 216 million (approximately $2.0 million) plus 6% interest accruing from December 9, 2006. They are currently serving EBS in Switzerland with proceedings under the Hague Convention.

In addition to the matters discussed above, the Division is a party to several pending legal proceedings and claims that have arisen during the ordinary course of business. The outcome of such items cannot be determined with certainty; therefore the Division cannot predict what the eventual loss or range of loss related to such matters will be. The Division s management believes that, based on currently available information, the final outcome on the current pending matters will not have a material effect on the Division s cash flow, results of operations or financial position.

Tax Matters

HMRC has made claims against certain of BGC U.K. subsidiaries for tax liabilities arising from various compensation plans established by the subsidiaries and operated between 1998 and 2003. At the end of 2005, HMRC indicated that it was prepared to settle the claims relating to adjustable option plans. BGC has agreed to settle liabilities for $2.2 million in respect of claims for 1998-1999 and 2000-2001. These subsidiaries settled the conditional share plans claims for 1999-2000 and 2002-2003 for an anticipated net cost of $9.8 million. In April 2006, HMRC offered to settle the remaining potential claims in connection with further conditional share plans for 2003-2004 on the same terms, for an anticipated net cost of $3.1 million. The Division has reserved for liabilities related to the remaining claims against its subsidiaries. The Division believes such reserved amounts to be sufficient. These reserves are included as part of Accounts payable, accrued and other liabilities on the accompanying Combined Statements of Financial Condition.

Risk and Uncertainties

The Division generates revenues by providing securities trading and brokerage activities to institutional customers and by executing, and in some cases, clearing transactions for institutional counterparties. Revenues for these services are transaction based. As a result, the Division s revenues could vary based on the transaction volume of global financial markets. Additionally, the Division s financing is sensitive to interest rate fluctuations which could have an impact on the Division s overall profitability.

Table of Contents

Guarantees

The Division provides guarantees to securities clearing houses and exchanges which meet the definition of a guarantee under FASB Interpretations No. 45, *Guarantor s Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others*. Under these standard securities and clearinghouse and exchange membership agreements, members are required to guarantee, collectively, the performance of other members and, accordingly, if another member becomes unable to satisfy its obligations to the clearinghouse or exchange, all other members would be required to meet the shortfall. In the opinion of management, the Division s liability under these agreements is not quantifiable and could exceed the cash and securities they have posted as collateral. However, the potential for the Division to be required to make payments under these arrangements is remote. Accordingly, no contingent liability was recorded in the Combined Statements of Financial Condition for these agreements.

The Division also unconditionally guarantees certain liabilities to a company under common control in relation to customer receivables for financial and sports spread bets. The potential for the Division to be required to make payments under this arrangement is remote. No contingent liability is carried on the accompanying Combined Statements of Financial Condition for this arrangement. This guarantee expired on December 31, 2006 and was not renewed.

16. Grant Units

Cantor provides grant units to certain employees that entitle the employees to participate in quarterly distributions of Cantor s income and to receive post-termination payments equal to the notional value of the grant in four equal yearly installments after the employee s termination, provided that the employee has not breached the Cantor Partnership Agreement. The notional amount is determined at the discretion of Cantor s senior management. Grant units are accounted for by Cantor as liability awards under SFAS 123R. The liability incurred for such grant units is re-measured at the end of every reporting period. The Division is allocated its share of such expense by Cantor relating to grant units that are held by employees of the Division.

As a result of adopting SFAS 123R on January 1, 2006, the Division incurred a non-cash expense of $10.1 million in the first quarter of 2006 in conjunction with the fair value of the liability incurred by Cantor for the grant units that were held by BGC employees. There was no tax impact associated with this charge. Fair value was determined by utilizing the age of each grant unit holder, the expected retirement age and forfeiture rate and discounted using the U.S. Treasury rate zero coupon yield curve at measurement date. The impact of the initial adoption of SFAS 123R is recorded as Cumulative effect of a change in accounting principle on the accompanying Combined Statements of Operations. During the year ended December 31, 2006, Cantor redeemed substantially all of the grant units that were held by BGC employees and the Division recorded non-cash compensation expense of $16.0 million due to the acceleration of the grant award payment of substantially all of the grant awards plus the fair value of the remaining unpaid grant awards. As of December 31, 2006, the remaining fair value of the grant units held by BGC employees was $2.1 million. For the year ended December 31, 2006, the Division recorded total non-cash compensation expense of $28.2 million. As of December 31, 2006 and 2005, the notional amount of grant units outstanding was $6.4 million and $24.7 million, respectively.

For the years ended December 31, 2006, 2005 and 2004, the Division recorded an expense of $3.1 million, $1.1 million and $2.2 million, respectively, relating to grant unit distributions. Grant unit distributions are included as part of Compensation and employee benefits on the accompanying Combined Statements of Operations.

Table of Contents

17. Balance Sheet Components

The components of certain balance sheet accounts are as follows (in thousands):

	December 31, 2006	2005
Other Assets		
Prepaid expenses	$ 17,930	$ 15,203
Taxes receivable	13,834	12,314
Rent and other deposits	7,113	3,795
Assets available for sale		2,540
Other	8,394	6,296
Total other assets	$ 47,271	$ 40,148
Accounts Payable, Accrued and Other Liabilities		
Taxes payable	$ 86,535	$ 68,085
Vacant property provision	13,518	5,253
Accounts payable	15,059	15,562
Accrued expenses	36,760	11,552
Accrued professional fees	9,987	10,519
Litigation reserve	16,462	4,618
Accrued clearance and settlement fees	2,607	2,019
Asset retirement obligation	3,064	1,980
Other	7,086	3,528
Total accounts payable, accrued and other liabilities	$ 191,078	$ 123,116

18. Employee Benefit Plans

Employees of the Division are eligible to participate in the eSpeed, Inc. Deferral Plan for Employees of Cantor Fitzgerald, L.P. and its Affiliates (the Plan) whereby eligible employees may elect to defer a portion of their salary by directing the Division to contribute withheld amounts to the Plan. The Plan is available to all employees of BGC meeting certain eligibility requirements and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended. The administration of the Deferred Compensation Plan is performed by Cantor. The Division pays its proportionate share of such administrative costs under the Administrative Services Agreement. Also, effective January 1, 2006, all employees of Euro Brokers are eligible to contribute to the eSpeed, Inc. Deferral Plan for Employees of Cantor Fitzgerald, L.P.

The Division incurred a de minimus amount of expenses associated with its retirement plans for the years ended December 31, 2006, 2005 and 2004.

19. Regulatory Requirements

Many of the Division s businesses are subject to regulatory restrictions and minimum capital requirements. These regulatory capital requirements may restrict the Division s ability to withdraw capital from its subsidiaries. Certain U.S. subsidiaries are registered as a U.S. broker-dealer or Futures Commissions Merchant subject to Rule 15c3-1 of the SEC and Rule 1.17 of the Commodity Futures Trading Commission, which specify uniform minimum net capital requirements, as defined, for their registrants, and also require a significant part of the registrants assets be kept in relatively liquid form. As of December 31, 2006, the U.S. subsidiaries had net capital in excess of its minimum capital requirements.

Table of Contents

Certain U.K. subsidiaries of BGC are regulated by the FSA and must maintain financial resources (as defined by the FSA) in excess of the total financial resources requirement of the FSA. As of December 31, 2006, BGCI had financial resources in excess of its requirement. Certain other subsidiaries are subject to regulatory and other requirements of the jurisdictions in which they operate.

The regulatory requirements referred to above may restrict the Division s ability to withdraw capital from its regulated subsidiaries. As of December 31, 2006, $199.4 million of net assets, were held by regulated subsidiaries. These subsidiaries had aggregate regulatory net capital, as defined, in excess of the aggregate regulatory requirements, as defined, of $75.3 million.

20. Geographic Information

Segment information

The Division currently operates its business in one reportable segment, that of providing integrated voice and electronic brokerage services to the wholesale, inter-dealer markets in a broad range of products and services, including brokerage services for global fixed income securities, equities, futures, foreign exchange, derivatives and other instruments including complementary proprietary market data offerings.

Geographic information

The Division offers its products and services in the North America (primarily in the United States), Europe (primarily in the United Kingdom) and the Asia-Pacific region.

Revenue attribution for purposes of preparing geographic data is principally based upon the marketplace where the financial product is traded, which, as a result of regulatory jurisdiction constraints in most circumstances, may also be representative of the location of the customer generating the transaction resulting in commissionable revenue. Long-lived assets are defined as forgivable loans, fixed assets, net of accumulated depreciation, investment, goodwill, other intangible assets, net of accumulated amortization and rent and other deposits. The information that follows, in management s judgment, provides a reasonable representation of the activities of each region as of and for the periods indicated.

Revenues by geographic area are as follows (in thousands):

	Year Ended December 31,		
	2006	2005	2004
Revenues:			
United Kingdom	$ 344,342	$ 232,798	$ 218,503
United States	203,496	131,160	50,501
Other international (1)	180,242	139,777	58,817
Total revenues	$ 728,080	$ 503,735	$ 327,821

Long-lived assets by geographic area are as follows (in thousands):

	December 31,	
	2006	2005
Assets:		
United States	$ 83,687	$ 81,865
United Kingdom	76,234	62,949
Other international (1)	49,291	47,047
Total assets	$ 209,212	$ 191,861

(1) Other international primarily reflects revenues and long-lived assets in other European countries and Asia-Pacific.

FIN-36

Table of Contents

21. Restatement

Subsequent to the issuance of the Division s combined financial statements for the year ended December 31, 2006 management became aware of errors in the accounting for certain intercompany transactions between the Division and certain affiliates of Cantor. Management performed a comprehensive review of the Division s intercompany relationships and activity and determined the combined financial statements required restatement. In addition, the combined statements of cash flows for the years ended December 31, 2006 and 2005 were restated to correct errors related to classifications of forgivable loan amortization and investment securities.

A summary of the restatements are reflected the in the tables below (in thousands):

	Combined Statement of Financial Condition		
December 31, 2006	**Previously Reported**	**Adjustment**	**Restated**
Receivables from brokers, dealers, clearing organizations, customers and related broker-dealers	$ 466,820	$ (13,895)	$ 452,925
Receivables from related parties	76,529	5,575	82,104
Forgivable loans and other receivables from employees	53,111	(99)	53,012
Other assets	47,053	218	47,271
Total assets	1,126,067	(8,201)	1,117,866
Accounts payable, accrued and other liabilities	191,640	(562)	191,078
Payables to related parties	112,987	(277)	112,710
Total current liabilities	836,093	(839)	835,254
Total liabilities	1,038,989	(839)	1,038,150
Net assets	80,035	(7,362)	72,673
Total liabilities and net assets	1,126,067	(8,201)	1,117,866

	Combined Statement of Operations		
Year Ended December 31, 2006	**Previously Reported**	**Adjustment**	**Restated**
Commission	$ 511,124	$ 951	$ 512,075
Other revenues	19,113	501	19,614
Total revenues	726,628	1,452	728,080
Compensation and employee benefits	503,473	7,420	510,893
Occupancy and equipment	62,116	8,674	70,790
Communications	47,063	649	47,712
Professional and consulting fees	42,539	1,367	43,906
Fees to related parties	47,575	267	47,842
Selling and promotion	50,285	(6,373)	43,912
Commissions and floor brokerage	8,590	3	8,593
Interest expense	29,921	148	30,069
Other expenses	40,588	(1,727)	38,861
Total expenses	832,150	10,428	842,578
Loss from continuing operations before income taxes and minority interest	(105,522)	(8,976)	(114,498)
Benefit for income taxes	(1,717)	(126)	(1,843)
Loss from continuing operations	(103,816)	(8,850)	(112,666)
Net loss	(114,546)	(8,850)	(123,396)

Table of Contents

Year Ended December 31, 2006	Combined Statement of Cash Flows Previously Reported	Adjustment	Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	$ (114,546)	$ (8,850)	$ (123,396)
Forgivable loan amortization	24,313	12,845	37,158
Decrease in deferred tax liability	(2,346)	(1)	(2,347)
Gain on sale of investment securities	(8,940)	8,940	
Other	(157)	1	(156)
Decrease in securities owned	(8,680)	9,127	447
Increase in receivables from brokers, dealers, clearing organizations, customers and related broker-dealers	(157,311)	13,895	(143,416)
Increase in receivables from related parties	(33,864)	(5,575)	(39,439)
Increase in forgivable loans and other receivables from employees	(19,904)	(12,746)	(32,650)
Increase in other assets	(7,972)	(218)	(8,190)
Increase in accounts payable, accrued and other liabilities	59,308	(562)	58,746
Increase in payables to related parties	25,016	(277)	24,739
Net cash used in operating activities	(84,481)	16,579	(67,902)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investment securities	18,067	(18,067)	
Net cash used in investing activities	(24,944)	(18,067)	(43,011)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital withdrawals	(3,098)	1,488	(1,610)
Net cash provided by financing activities	91,108	1,488	92,596

Year Ended December 31, 2005	Previously Reported	Adjustment	Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Forgivable loan amortization	$ 21,395	$ 7,002	$ 28,397
Unrealized loss on securities owned	494	(494)	
Gain on sale of investment securities	(2,114)	2,114	
Decrease in securities owned	2,104	3,047	5,151
Increase in forgivable loans and other receivables from employees	(57,385)	(7,002)	(64,387)
Net cash used in operating activities	(27,469)	4,667	(22,802)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investment securities	4,667	(4,667)	
Net cash used in investing activities	(104,795)	(4,667)	(109,462)

Year Ended December 31, 2006	Combined Statement of Changes in Net Assets Previously Reported	Adjustment	Restated
Net loss	$ (114,546)	$ (8,850)	$ (123,396)
Capital withdrawals deemed dividends	(3,098)	1,488	(1,610)
Balance, December 31, 2006	80,035	(7,362)	72,673

* * * * * * * * * * *

Table of Contents

BGC DIVISION

CONDENSED COMBINED STATEMENTS OF FINANCIAL CONDITION

(in thousands)

(unaudited)

	September 30, 2007	December 31, 2006
Assets		
Cash and cash equivalents	$ 185,442	$ 109,050
Cash segregated under regulatory requirements	3,883	4,119
Securities purchased under agreements to resell	54,770	34,046
Securities owned	26,066	69,001
Receivables from brokers, dealers, clearing organizations, customers and related broker-dealers	643,228	452,925
Accrued commissions receivable, net of allowance for doubtful accounts	161,219	113,783
Receivables from related parties	100,905	82,104
Forgivable loans and other receivables from employees	73,643	53,012
Fixed assets, net	78,789	78,114
Investment	9,893	9,776
Goodwill	55,044	55,044
Other intangibles, net	7,726	9,621
Other assets	38,595	47,271
Total assets	$ 1,439,203	$ 1,117,866
Liabilities and Net Assets		
Accrued compensation	$ 95,913	$ 49,319
Payables to brokers, dealers, clearing organizations, customers and related broker-dealers	651,665	410,834
Payables to related parties	155,290	112,710
Securities sold under agreements to repurchase		25,313
Securities sold, not yet purchased	21,494	
Current portion of long-term debt to related parties	18,500	46,000
Accounts payable, accrued and other liabilities	173,265	191,078
Total current liabilities	1,116,127	835,254
Long-term notes to related parties	197,887	202,896
Total liabilities	1,314,014	1,038,150
Commitments, contingencies and guarantees (Note 13)		
Minority interest	8,486	7,043
Net assets	116,703	72,673
Total liabilities and net assets	$ 1,439,203	$ 1,117,866

The accompanying Notes to Condensed Combined Financial Statements are an integral part of these financial statements.

Table of Contents

BGC DIVISION

CONDENSED COMBINED STATEMENTS OF OPERATIONS

(in thousands)

(unaudited)

	Nine Months Ended September 30,	
	2007	2006 Restated See Note 18
Revenues:		
Commissions	$ 519,193	$ 374,730
Principal transactions	181,679	107,484
Fees from related parties	25,423	16,499
Market data	14,240	13,136
Interest income	12,348	18,874
Other revenues	2,878	13,473
Total revenues	755,761	544,196
Expenses:		
Compensation and employee benefits	444,980	388,051
Occupancy and equipment	49,308	49,417
Communications	36,137	35,883
Professional and consulting fees	28,462	30,688
Fees to related parties	50,251	31,168
Selling and promotion	37,201	33,233
Commissions and floor brokerage	7,434	6,002
Interest expense	25,961	22,489
Other expenses	22,288	22,429
Total expenses	702,022	619,360
Income (loss) from continuing operations before income taxes and minority interest	53,739	(75,164)
Minority interest	1,443	17
Provision (benefit) for income taxes	9,147	(361)
Income (loss) from continuing operations	43,149	(74,820)
Loss from discontinued operations		(646)
Income tax provision from discontinued operations		(4)
Cumulative effect of a change in accounting principle		(10,080)
Net income (loss)	$ 43,149	$ (85,550)

The accompanying Notes to Condensed Combined Financial Statements are an integral part of these financial statements.

Table of Contents

BGC DIVISION

CONDENSED COMBINED STATEMENTS OF CASH FLOWS

(in thousands)

(unaudited)

	Nine Months Ended September 30,	
	2007	2006 Restated See Note 18
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ 43,149	$ (85,550)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	21,020	18,454
Forgivable loan amortization	27,151	28,558
Distributions on grant units	196	3,016
Recognition of fair market value of grant options upon initial adoption of SFAS 123R		10,080
Fair market value adjustment of grant units	685	18,169
Minority interest	1,443	17
Increase (decrease) in deferred income tax liability	1,883	(2,216)
Unrealized gain on investments		
Other	132	221
Changes in operating assets and liabilities:		
Decrease (increase) in cash segregated under regulatory requirements	236	(2,462)
Increase in securities purchased under agreements to resell	(20,724)	(34,107)
Decrease in securities owned	42,935	5,287
Increase in receivables from brokers, dealers, clearing organizations, customers and related broker-dealers	(190,303)	(821,588)
Increase in accrued commissions receivable, net of allowance for doubtful accounts	(47,436)	(33,851)
Increase in receivables from related parties	(18,802)	(109,949)
Increase in forgivable loans and other receivables from employees	(47,782)	(31,020)
Decrease (increase) in other assets	8,687	(9,894)
Increase in accrued compensation	46,594	8,615
Decrease in securities loaned to related parties		(8,201)
Increase in securities sold, not yet purchased	21,494	
Decrease in securities sold under agreements to repurchase	(25,313)	
Increase in payable to brokers, dealers, clearing organizations, customers and related broker-dealers	240,831	840,299
Increase in payables to related parties	42,580	149,720
(Decrease) increase in accounts payable, accrued and other liabilities	(19,865)	43,247
Net cash provided by (used in) operating activities	128,791	(13,155)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(19,890)	(33,628)
Proceeds from the sale of equities brokerage business to related parties		2,556
Net cash used in investing activities	(19,890)	(31,072)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Capital contributions		7,519
Capital withdrawals		(125)
Intercompany long-term debt borrowings	36,991	42,000
Intercompany long-term debt repayments	(69,500)	
Short-term borrowing repayments		5,980
Net cash (used in) provided by financing activities	(32,509)	55,374
Net decrease in cash and cash equivalents	76,392	11,147

Cash and cash equivalents at beginning of period	109,050	127,367
Cash and cash equivalents at end of period	$ 185,442	$ 138,514
Supplemental cash information:		
Cash paid during the period for taxes	$ 4,982	$ 2,249
Cash paid during the period for interest	$ 25,951	$ 21,741

The accompanying Notes to Condensed Combined Financial Statements are an integral part of these financial statements.

Table of Contents

BGC DIVISION

CONDENSED COMBINED STATEMENT OF CHANGES IN NET ASSETS

(in thousands)

(unaudited)

Net Assets:	
Balance, December 31, 2006	$ 72,673
Net income	43,149
Distribution of grant earnings	196
Grant units impact of SFAS 123R	685
Balance, September 30, 2007	$ 116,703

The accompanying Notes to Condensed Combined Financial Statements are an integral part of these financial statements.

Table of Contents

BGC DIVISION

NOTES TO CONDENSED COMBINED FINANCIAL STATEMENTS

(unaudited)

1. Basis of Presentation and Organization

The BGC Division (BGC or the Division) is comprised of various wholly-owned subsidiaries, as well as businesses and divisions, of Cantor Fitzgerald, L.P. (Cantor). BGC is a leading full-service inter-dealer broker specializing in the trading of over-the-counter financial instruments and related derivative products. BGC provides integrated voice and electronic execution and other brokerage services to many of the world s largest and most creditworthy banks that are regularly trading in capital markets, brokerage houses and investment banks for a broad range of global financial products, including fixed income securities, foreign exchange, equity derivatives, credit derivatives, futures, structured products and other instruments, as well as market data products for selected financial instruments.

The Division s condensed combined financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (the SEC). Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted from this report as is permitted by SEC rules and regulations. However, the Division believes that the disclosures are adequate to make the information presented not misleading. This report should be read in conjunction with the audited combined financial statements and notes for the year ended December 31, 2006 included in this proxy filing.

In the opinion of management, the accompanying unaudited condensed combined financial statements contain all normal and recurring adjustments necessary to present fairly the combined financial condition, results of operations, changes in cash flows and changes in net assets of the Division for the interim periods presented. The results of operations for the nine months ended September 30, 2007 are not necessarily indicative of results to be expected for the entire fiscal year, which will end on December 31, 2007.

2. Recent Accounting Developments

FIN 48: In July 2006, the FASB issued FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes, an interpretation of FASB Statement No. 109* (FIN 48). FIN 48 clarifies the accounting for uncertainty in income taxes recognized in a division s financial statements and prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in an income tax return. FIN 48 also provides guidance on derecognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 was effective for the Division as of January 1, 2007. The adoption of FIN 48 did not have a material impact on the Division s condensed combined financial statements.

The Division files income tax returns in the U.S. federal jurisdiction and various states, local and foreign jurisdictions. The Division is no longer subject to U.S. federal, state, local or non-U.S. income tax examination by tax authorities for the years prior to 2003, 1999 and 2000, respectively.

SFAS No. 157: In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* (SFAS 157). SFAS 157 clarifies that fair value is the amount that would be exchanged to sell an asset or transfer a liability, in an orderly transaction between market participants. SFAS 157 nullifies the consensus reached in EITF Issue No. 02-3 prohibiting the recognition of day one gain or loss on derivative contracts where the firm cannot verify all of the significant model inputs to observable market data and verify the model to market transactions. However, SFAS 157 requires that a fair value measurement technique include an adjustment for risks inherent in a particular valuation technique (such as a pricing model) and/or the risks inherent in the inputs to the model, if market participants would also include such an adjustment. In addition, SFAS 157 prohibits the

Table of Contents

recognition of block discounts for large holdings of unrestricted financial instruments where quoted prices are readily and regularly available in an active market. The provisions of SFAS 157 are to be applied prospectively, except for changes in fair value measurements that result from the initial application of SFAS 157 to existing derivative financial instruments measured under EITF Issue No. 02-3, existing hybrid instruments measured at fair value, and block discounts, which are to be recorded as an adjustment to opening retained earnings in the year of adoption. SFAS 157 will be effective for the Division as of January 1, 2008. The Division is currently evaluating the potential impact of adopting SFAS 157 on its condensed combined financial statements.

SFAS No. 159: In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Liabilities* (SFAS 159). SFAS 159 provides companies with an option to report selected financial assets and liabilities at fair value, and establishes presentation and disclosure requirements designed to facilitate comparisons between companies that choose different measurement attributes for similar types of assets and liabilities. SFAS 159 is effective for the Division as of January 1, 2008. The Division is currently evaluating the potential impact of adopting SFAS 159 on its condensed combined financial statements.

SFAS No. 141(R): In December 2007, the FASB issued SFAS No. 141(R), *Business Combinations* (SFAS 141(R)). SFAS 141(R) replaces SFAS 141, *Business Combinations.* SFAS 141(R) retains the fundamental requirements in SFAS 141 that the acquisition method of accounting be used for all business combinations and for an acquirer to be identified for each business combination. SFAS 141(R) amends the recognition provisions for assets and liabilities acquired in a business combination, including those arising from contractual and noncontractual contingencies. SFAS 141(R) also amends the recognition criteria for contingent consideration. SFAS 141(R) is effective for the Division January 1, 2009. Early adoption is not permitted. The Division is currently evaluating the potential impact of adopting SFAS 141(R) on its condensed combined financial statements.

SFAS 160: In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interest in Consolidated Financial Statements an amendment to ARB No. 51* (SFAS 160). SFAS 160 amends ARB 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary, a parent s ownership interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. SFAS 160 also requires consolidated net income to be reported at amounts that include the amounts attributable to both the parent and the noncontrolling interest. It also requires disclosure, on the face of the consolidated statement of income, of the amounts of consolidated net income attributable to the parent and to the noncontrolling interest. SFAS 160 is effective for the Division January 1, 2009. Early adoption is not permitted. The Division is currently evaluating the potential impact of adopting SFAS 160 on its condensed combined financial statements.

3. Securities Owned and Securities Sold not yet Purchased

Unmatched principal transactions were $47.6 million at September 30, 2007 and $69.0 million at December 31, 2006.

The Division s securities owned consisted of the following (in thousands):

	September 30, 2007	December 31, 2006
Government debt	$ 23,568	$ 8,020
Corporate bonds		60,676
Other	2,498	305
	$ 26,066	$ 69,001

The Division s securities sold not yet purchased consisted of equities of $21.5 million at September 30, 2007. The Division did not have any securities sold not yet purchased at December 31, 2006.

Table of Contents

As of September 30, 2007, the Division had pledged $24.5 million of securities owned as collateral. These securities were pledged to satisfy deposit requirements at various exchanges or clearing organizations. As of December 31, 2006, the Division had pledged $28.2 million of securities owned as collateral; of these pledged securities, $8.0 million was pledged to satisfy deposit requirements at various exchanges or clearing organizations and $20.2 million was used as collateral in Repurchase Agreements (as defined below).

As of September 30, 2007 and December 31, 2006, there were no impairments to the securities owned by the Division.

4. Collateralized Transactions

Securities purchased under agreements to resell (Reverse Repurchase Agreements) and securities sold under agreements to repurchase (Repurchase Agreements) are accounted for as collateralized financing transactions and are recorded at the contractual amount for which the securities will be resold or repurchased, including accrued interest.

For Reverse Repurchase Agreements it is the policy of the Division to obtain possession of collateral with a market value equal to or in excess of the principal amount loaned under Reverse Repurchase Agreements. Collateral is valued daily and the Division may require counterparties to deposit additional collateral or return collateral pledged when appropriate. Certain of the Division s Reverse Repurchase Agreements are with Cantor (see Note 7, Related Party Transactions, for more information regarding these agreements). As of September 30, 2007, the Division had received government securities as collateral with a fair value of $54.7 million, of which $35.7 million was repledged to exchanges or clearing organizations to fulfill the Division s deposit requirements. Of the $35.7 million repledged to exchanges or clearing organization, $28.1 million pertained to Reverse Repurchase Agreements was with Cantor. As of December 31, 2006, the Division had received government securities as collateral with a fair value of $34.5 million, of which $29.3 million was repledged to exchanges or clearing organizations to fulfill the Division s deposit requirements and $5.2 million to collateralize Repurchase Agreements.

The Division is generally required to provide collateral with a market value equal to or in excess of the principal amount borrowed under Repurchase Agreements. As of September 30, 2007, the Division did not enter into any Repurchase Agreements. As of December 31, 2006, the Division used securities owned and Reverse Repurchase Agreements with a total fair market value of $25.4 million to collateralize the Repurchase Agreements.

Table of Contents

5. Receivables from and Payables to Brokers, Dealers, Clearing Organizations, Customers and Related Broker-Dealers

The receivables from and payables to brokers, dealer, clearing organizations, customers and related broker-dealers consisted of the following (in thousands):

	September 30, 2007	December 31, 2006
Receivables from brokers, dealers, clearing organizations, customers and related broker-dealers:		
Contract value of fails to deliver	$ 526,963	$ 266,770
Net pending trades		10,115
Open derivative contracts	15,456	43,635
Receivables from clearing organizations	81,178	95,027
Other receivables from brokers, dealers and customers	19,631	37,378
Total	$ 643,228	$ 452,925
Payables to brokers, dealers, clearing organizations, customers and related broker-dealers:		
Contract value of fails to deliver	$ 500,655	$ 246,005
Net pending trades	2,835	
Open derivative contracts	16,353	44,431
Payables to clearing organizations	22,366	30,985
Other payables to brokers, dealers and customers	109,456	89,413
Total	$ 651,665	$ 410,834

A portion of these receivables and payables is with Cantor (see Note 7, Related Party Transactions, for additional information related to these receivables and payables).

Substantially all open fail to deliver and fail to receive transactions as of September 30, 2007 have subsequently settled at the contracted amounts.

6. Derivatives

The fair value of derivative financial instruments, computed in accordance with the Division s netting policy, is set forth below (in thousands):

	September 30, 2007		December 31, 2006	
	Assets	Liabilities	Assets	Liabilities
Forward settlement contracts	$ 234	$ 474	$ 5,367	$ 5,337
Swap agreements	12,237	12,614	37,359	37,584
Futures	568	465	280	72
Option contracts	2,417	2,800	629	1,438
Total	$ 15,456	$ 16,353	$ 43,635	$ 44,431

The Division s transactions with off-balance-sheet risk are primarily short-term in duration. At September 30, 2007 and December 31, 2006, the notional amounts of derivative instruments used for trading purposes were $409.0 million and $3.1 billion, respectively. These contracts had remaining maturities of less than one year.

Table of Contents

A portion of the Division s derivative contracts is with Cantor. The fair value of derivative financial instruments with Cantor is set forth below (in thousands):

	September 30, 2007		December 31, 2006	
	Assets	Liabilities	Assets	Liabilities
Forward settlement contracts	$ 56	$ 12	$ 5,282	$ 5,314
Swap agreements	305	228	7,684	7,823
Futures	150	324	9	2
Option contracts				
Total	$ 511	$ 564	$ 12,975	$ 13,139

At September 30, 2007 and December 31, 2006, the notional amounts outstanding for derivative contracts with Cantor totaled $2.5 million and $252.3 million, respectively.

The following table summarizes the credit quality of the Division s trading-related derivatives by showing counterparty credit ratings, excluding derivative contracts with Cantor, for the replacement cost of contracts in a gain position at September 30, 2007.

Rating (a)	Net Replacement Cost (in thousands):
A	$ 12,115
Other (b)	12,955

(a) Credit ratings based on Standard & Poors.

(b) Other indicates counterparties for which no credit rating was available from an independent third-party source. It does not necessarily indicate that the counterparties credit is below investment grade.

7. Related Party Transactions

The Division shares revenues with Cantor and its affiliates. The Division provides certain administrative support services to Cantor and its affiliates and Cantor provides certain administrative services to the Division. In addition, Cantor provides certain introducing, clearing and settlement services to the Division and the Division may provide clearing and execution services to Cantor in the future.

Since Cantor holds a controlling interest in the Division and holds a significant interest in eSpeed, Inc. (eSpeed), such transactions among and between the Division and Cantor and eSpeed are on a basis that might not be replicated if such services or revenue sharing arrangements were between, or among, unrelated parties.

Administrative Services and Joint Services Agreements

In the United States, Cantor provides BGC with administrative services and other support for which Cantor charges BGC based on the cost of Cantor providing such services. Such support includes allocations for occupancy of office space, utilization of fixed assets and accounting, operations, human resources and legal services. In addition, under the Amended and Restated Joint Services Agreement which was amended as of October 1, 2005 (the Joint Services Agreement), between Cantor and eSpeed, eSpeed provides network, datacenter and other technology services to BGC. eSpeed charges BGC for these services commensurate with the cost of providing them. For the nine months ended September 30, 2007 and 2006, BGC was charged $22.6 million and $12.0 million, respectively. These charges are included as part of Fees to related parties on the accompanying condensed combined statements of operations.

On December 21, 2006 the Division established Tower Bridge International Services L.P. (Tower Bridge) into which it transferred, as of the beginning of January 2007, all of its current U.K. administrative employees

FIN-47

Table of Contents

and operations. The Division owns 52% of Tower Bridge and consolidates it. Cantor owns 48% of Tower Bridge and pays actual costs for the services provided to it and a mark-up currently at 7.5%. The Division recognizes minority interest for the investment held by Cantor. Similar to previous administrative service agreements, BGC provides certain international subsidiaries of Cantor with administrative services and other support for which BGC charges Cantor based on the cost of providing such services plus a mark-up currently at 7.5%. Such support includes allocations for occupancy of office space, utilization of fixed assets, accounting, operations, human resources and legal services. For the nine months ended September 30, 2007 and 2006, BGC recognized related party revenues of $25.4 million and $16.5 million respectively. These revenues are included as part of Fees from related parties on the accompanying condensed combined statements of operations. At September 30, 2007, minority interest for Cantor s share of the cumulative net income in Tower Bridge was $1.4 million. Cantor s minority interest is included as part of Minority interest on the accompanying condensed combined statements of financial condition.

The services provided under the Joint Services Agreement and by Tower Bridge are related party services because Cantor controls the Division. As a result, the amounts charged for services under these agreements may be higher or lower than amounts that would be charged by third parties if the Division did not obtain such services from Cantor. The cost of these services is not determinable on a stand-alone basis.

eSpeed owns and operates electronic trading systems and under the Joint Services Agreement is responsible for providing trading technology to support BGC. The Division and eSpeed share selected revenues under the Joint Services Agreement on a pre-determined schedule based on various factors, including the kind of brokerage services provided by the Division, the nature of the marketplace in which a transaction is effected, and the kind of financial product. For fully-electronic transactions in U.S. Treasuries, Japanese Government Bonds and Foreign Exchange, eSpeed receives 65% of the transaction revenues. For fully-electronic transactions in European Government Bonds, eSpeed receives 65% of the first $1.5 million in transaction revenues and up to 50% of subsequent transaction revenues in a calendar year. For electronic transactions in other products, eSpeed receives 7% of the transaction revenues. For voice-assisted transactions, eSpeed receives 2.5% of the transaction revenues. The Division recognized commission and principal transaction revenues of $700.9 million and $482.2 million for the nine months ended September 30, 2007 and 2006, respectively. Substantially all of these revenues relate to revenue sharing arrangements with eSpeed. These revenues are included as part of Commissions and Principal transactions on the accompanying condensed combined statement of operations. The Division recognized expenses of $27.7 million and $19.2 million in relation to these revenue sharing arrangements with eSpeed for the nine months ended September 30, 2007 and 2006, respectively. These expenses are included as part of Fees to related parties on the accompanying condensed combined statements of operations.

The Division has payables to related parties which represent amounts due to Cantor for administrative services and other support provided, and amounts payable for net assets transferred from Cantor. The Division also has receivables from related parties which represent uncollateralized advances and amounts due from affiliates as reimbursement for support services provided. The Division has outstanding receivables from related parties as of September 30, 2007 and December 31, 2006 of $100.9 million and $82.1 million, respectively, and payables to related parties as of September 30, 2007 and December 31, 2006 of $155.3 million and $112.7 million, respectively. Included in payables to related parties at September 30, 2007 and December 31, 2006 was a demand loan to Tower Bridge from Cantor in the amount of $4.5 million with an interest rate of U.S. London Interbank Offered Rate (LIBOR) plus 2%. The proceeds of the loan were used to establish Tower Bridge.

Receivables from and Payables to Brokers, Dealers, Clearing Organizations, Customers and Related Broker-Dealers

In Europe and in the U.S., the Division executes trades on behalf of its customers for financial futures products. These products trade and are settled on the CME and the CBOT. As no BGC entity is a clearing member of either futures exchange, the executed transactions are cleared and settled on behalf of BGC customers

Table of Contents

by Cantor. Additionally, in the U.S., equity and corporate and mortgage-backed debt securities brokered by BGC are cleared and settled by Cantor.

In the U.K., BGC acts as the intermediary for derivative trades between Cantor and its affiliates and various securities exchanges, including Eurex and LCM (LIFFE/LME) clearing organizations. BGC has memberships in these exchanges and places the trades at the exchanges on behalf of Cantor and its affiliates.

Amounts due from or to Cantor for undelivered securities or open derivative contracts are included as part of Receivables from and payables to brokers, dealers, clearing organizations, customers and related broker-dealers on the accompanying combined statements of financial condition. As of September 30, 2007 and December 31, 2006, the Division had receivables from Cantor of $11.6 million and $13.0 million, respectively. Additionally, as of September 30, 2007 and December 31, 2006, the Division had payables to Cantor of $0.9 million and $13.1 million, respectively.

Forgivable Loans and Other Receivables from Employees

The Division has entered into various agreements with certain of its employees whereby these employees receive forgivable loans. As of September 30, 2007 and December 31, 2006, the unamortized balance of these forgivable loans was $65.4 million and $46.0 million, respectively. These forgivable loans are included as part of Forgivable loans and other receivables from employees on the accompanying condensed combined statements of financial condition. Amortization expense for these forgivable loans for the nine months ended September 30, 2007 and 2006 was $27.1 million and $28.6 million, respectively. Amortization expense for forgivable loans is included as part of Compensation and employee benefits on the accompanying condensed combined statements of operations.

Additionally, from time to time, the Division enters into agreements with employees whereby the Division grants bonus and salary advances or other types of loans that are non-forgivable. These advances and loans are repayable to the Division in the timeframes outlined in the underlying agreements. As of September 30, 2007 and December 31, 2006, the balance of these advances and non-forgivable loans was $8.2 million and $7.0 million, respectively. These advances and non-forgivable loans are included as part of Forgivable loans and other receivables from employees on the accompanying condensed combined statements of financial condition.

Securities Purchased Under Agreements to Resell

From time to time, the Division enters into overnight Reverse Repurchase Agreements with Cantor, whereby BGC receives government securities as collateral. As of September 30, 2007 and December 31, 2006, the Division had $47.2 million and $20.2 million, respectively, of Reverse Repurchase Agreements with Cantor, of which the fair value of the collateral received from Cantor was $47.1 million and $20.7 million, respectively.

Notes Payable

The Division had various notes payable outstanding to Cantor at September 30, 2007 and December 31, 2006 (see Note 10, Long-term Notes to Related Parties, for more information regarding these loans).

Grant Units

Cantor provides awards to certain employees of the Division in the form of grant units in Cantor (grant units). Grant units entitle the employees to participate in quarterly distributions of Cantors net income and to receive certain post-termination payments. Grant units vest immediately upon receipt by the employee. (See Note 11, Grant Units, for more information regarding the Division s treatment of the grant units).

Table of Contents

8. Investment and Joint Venture

Freedom

Cantor formed a limited partnership (the Freedom LP) to acquire an interest in Freedom International Brokerage (Freedom), a Canadian government securities broker-dealer and Nova Scotia unlimited liability company, with eSpeed. eSpeed contributed 310,769 shares of its Class A common stock, valued at approximately $7.0 million, to the Freedom LP as a limited partner. eSpeed shares in 15.0% of the Freedom LPs cumulative profits but not in cumulative losses. Cantor contributed 103,588 shares of eSpeed Class A common stock, valued at approximately $2.3 million, as the general partner. Cantor is allocated all of the Freedom LPs cumulative losses or 85.0% of the cumulative profits. The Freedom LP exchanged the 414,357 shares for a 66.7% interest in Freedom. Cantor contributed its share of the Freedom LP to the Division as part of the global reorganization. The Division consolidates Freedom LP. As of September 30, 2007 and December 31, 2006, the Division s investment in Freedom was $9.9 million and $9.8 million, respectively. Accordingly, the Division recognizes minority interest for the remaining investment held by eSpeed. At September 30, 2007 and December 31, 2006, minority interest for eSpeed share of Freedom was $7.1 million and $7.0 million, respectively. Freedom LP s sole operations consist of its investment in Freedom, which Freedom LP accounts for as an equity method investee. For the nine months ended September 30, 2007 and 2006, Freedom LP s share of Freedom s net income was approximately $0.1 million for both periods. The Division s share of Freedom s income and losses is included as part of Other revenues on the accompanying condensed combined statements of operations.

Tokyo Venture

As part of the Division s acquisition of Maxcor Financial Group, Inc. (Euro Brokers) in May 2005, it acquired Euro Brokers Switzerland SA (EBS), a subsidiary of Euro Brokers. In July 2001, EBS entered into a Silent Partnership Agreement (the Tokyo Venture) and an Amended and Restated Business Alliance Agreement with Nittan Capital Group Limited and other entities in the Nittan Group (Nittan). Under the terms of those Agreements, EBS invested $0.2 million in the Tokyo Venture in return for 57.25% of its profits (and losses). The Division accounts for its share of the results of operations of the Tokyo Venture as part of Other revenues on the accompanying condensed combined statements of operations as non-equity income or loss for contractual arrangements.

On February 6, 2006, the Division gave notice of termination of the Agreements and side letters to Nittan. The termination became effective on August 7, 2006. The Division is working on a settlement arrangement with Nittan regarding the termination, and does not believe the final settlement will be material to the Division s results of operations, financial condition or cash flows.

9. Goodwill and Other Intangible Assets

The carrying amount of goodwill at September 30, 2007 and December 31, 2006 was $55.0 million. Other intangible assets consisted of the following (in thousands):

	September 30, 2007	December 31, 2006
Gross intangible assets		
Customer base/relationships	$ 7,932	$ 7,932
Internally developed software	2,890	2,890
Covenant not to compete	1,628	1,628
Trademarks	1,315	1,315
Total gross intangible assets	13,765	13,765
Accumulated amortization	(6,039)	(4,144)
Net intangible assets	$ 7,726	$ 9,621

Table of Contents

10. Long-Term Notes to Related Parties

On May 20, 2005, the Division borrowed $75.0 million with a fixed interest rate of 9.22% and an additional $33.3 million with a fixed interest rate of 8.72% from Cantor to provide financing for its acquisition of Euro Brokers. The Euro Brokers Promissory Notes are due May 20, 2012 and can be repaid at any time with no prepayment penalties. Debt payment may be accelerated for failure to make payments when due or as a result of bankruptcy. To finance expansion efforts and ongoing operations, the Division borrows from Cantor. These loans are long-term subordinated notes that bear interest at the six-month LIBOR rate plus an additional 2%. The interest rates are reset semi-annually. As of September 30, 2007, the rates range from 7.14% to 7.57%. The maturities of these notes range from April 2008 to April 2009 and no principal payments are due to be paid until maturity. Debt payment may be accelerated for failure to make payments when due or as a result of bankruptcy. Debt maturities are as follows: $18.5 million is due during the second quarter of 2008; $52.6 million is due during the fourth quarter of 2008; $18.0 million is due in the first quarter of 2009 and $19.0 million due during the second quarter of 2009.

Long-term notes payable to related parties are summarized as follows (in thousands):

	Maturity	September 30, 2007	December 31, 2006
Euro Brokers Promissory Notes	2012	$ 108,318	$ 108,318
Other Cantor Fitzgerald LP Notes	2008-2009	108,069	140,578
		216,387	248,896
Less: current portion		(18,500)	(46,000)
		$ 197,887	$ 202,896

The Division incurred interest expense related to long-term notes payable to related parties of $15.1 million and $11.0 million for the nine months ended September 30, 2007 and 2006, respectively. Interest expense for long-term notes payable to related parties is recorded as part of Interest expense on the accompanying combined statements of operations. The Division s long-term notes payable to related parties do not contain financial or operating covenants.

11. Grant Units

As a result of adopting SFAS No. 123R, *Share Based Payment* (SFAS 123R) on January 1, 2006, the Division incurred a non-cash expense of $10.1 million in the first nine months of 2006 in conjunction with the fair value of the liability incurred by Cantor for the grant units that were held by BGC employees. There was no tax impact associated with this charge. Fair value was determined by utilizing the age of each grant unit holder, the expected retirement age and forfeiture rate and discounted using the U.S. Treasury rate zero coupon yield curve at measurement date. The impact of the initial adoption of SFAS 123R is recorded as Cumulative effect of a change in accounting principle on the accompanying condensed combined statements of operations. During the third quarter of 2006, Cantor redeemed substantially all of the grant units that were held by BGC employees and the Division recorded non-cash compensation expense of $16.0 million due to the acceleration of the grant award payment of substantially all of the grant awards plus the fair value of the remaining unpaid grant awards. As of September 30, 2007 and December 31, 2006, the fair value of the grant units held by BGC employees was $2.8 million and $2.1 million, respectively. For the nine months ended September 30, 2007 and 2006, the Division recorded total non-cash compensation expense of $0.7 million to account for fair value adjustments. As of September 30, 2007 and December 31, 2006, the notional amount of grant units outstanding was $8.2 million and $6.4 million, respectively.

For the nine months ended September 30, 2007 and 2006, the Division recorded expenses relating to grant unit distributions of $0.2 million and $3.0 million, respectively. Grant unit distributions are included as part of Compensation and employee benefits on the accompanying condensed combined statements of operations.

Table of Contents

12. BGC Partners Restricted Stock Units

Prior to the merger, in the third quarter of 2007, BGC and certain of its subsidiaries entered into agreements with certain of their employees pursuant to which the employees agreed to receive an aggregate of approximately $8,848,100 in BGC restricted stock units (the BGC RSUs) in lieu of cash compensation. The BGC RSUs would be delivered in 2008 and would be issued upon the closing of the merger. These BGC RSUs vest in 50% increments on August 31, 2008 and 2009. In the fourth quarter of 2007, certain employees of BGC and other persons who provide services to BGC were informed that they could expect to receive an aggregate of $2,073,831 in restricted equity units (REUs) for delivery in 2008, which would be issued upon the closing of the merger, in lieu of a portion of their discretionary bonus for 2007. These REUs will vest in one-third increments on December 31, 2008, 2009 and 2010. In addition, in the fourth quarter of 2007, certain employees of BGC and other persons who provide services to BGC were informed that they could expect to receive an aggregate of $1,680,520 in BGC RSUs for delivery in 2008, which would be issued upon the closing of the merger, in lieu of a portion of their discretionary bonus for 2007. These BGC RSUs vest in one-third increments on December 31, 2008, 2009 and 2010. Compensation expense for each of these awards is recognized over the stated service period. There was no compensation expense associated with these awards for the nine-month periods ended December 31, 2007 and 2006.

13. Commitments, Contingencies and Guarantees

Contingencies

In the ordinary course of business, various legal actions are brought and are pending against the Division in the United States and internationally. In some of these actions, substantial amounts are claimed. The Division is also involved, from time to time, in other reviews, investigations and proceedings by governmental and self-regulatory agencies (both formal and informal) regarding the Division s business, judgments, settlements, fines, penalties, injunctions or other relief.

Legal reserves are established in accordance with SFAS No. 5, Accounting for Contingencies when a material legal liability is both probable and reasonably estimable. Once established, reserves are adjusted when there is more information available or when an event occurs requiring a change. As of September 30, 2007, the Division had legal reserves of approximately $0.4 million pertaining to the employment and competitor-related litigation matters discussed below.

Employment and Competitor-Related Litigation

From time to time, BGC and its affiliates are involved in litigation, claims and arbitrations, in the U.S. and internationally, relating to various employment matters, including with respect to termination of employment, hiring of employees currently or previously employed by its competitors or with respect to terms and conditions of employment and other matters. In light of the competitive nature of the brokerage industry, litigation, claims, and arbitration between competitors regarding employee hiring is not uncommon.

In 2005, ICAP Australia Pty Limited (ICAP Australia) commenced legal proceedings against BGC Partners (Australia) Pty Limited (BGC Australia), and twenty-two former employees of ICAP Australia in Federal Court of Australia, New South Wales District Registry, Australia in relation to the circumstances of the departure of those employees from their former employment by ICAP Australia and the commencement of their employment with and by BGC Australia. In June 2007, the proceedings were settled without any admission of liability by any of the parties involved and a sum was paid by the Division to ICAP Australia. The outcome of these proceedings did not have a material effect on the Division s condensed combined financial statements.

In April 2005, ICAP (Hong Kong) Limited (ICAP Hong Kong) commenced legal proceedings against BGC Securities (Hong Kong) LLC, BGC Capital Markets (Hong Kong) Limited (together, BGC Hong Kong)

Table of Contents

and thirty-seven former employees of ICAP Hong Kong in the High Court of the Hong Kong SAR in relation to the circumstances of the departure of those employees from their former employment by ICAP Hong Kong and the commencement of their employment with and by BGC Hong Kong. In June 2007, the proceedings were settled without any admission of liability by any of the parties involved and a sum was paid by the Division to ICAP Hong Kong. The outcome of these proceedings did not have a material effect on the Division s condensed combined financial statements.

Tullett Prebon (Singapore) Limited (formerly known as Prebon Yamane (Singapore) Limited) and two related companies brought a consolidated action in the Singapore High Court against BGC International (Singapore Branch) and fifty-five of its brokers who left Tullett Prebon (Singapore) Limited and had started to work with the Division. Tullett Prebon (Singapore) Limited alleged that BGC International (Singapore Branch) breached certain contracts with Tullett Prebon (Singapore) Limited in February 2005 (and some at a later date in 2005) and that BGC International (Singapore Branch) and certain of its employees conspired together to induce those broker defendants to breach their contracts. Injunction proceedings were brought in February 2005 and although interim injunctions were obtained, these were overturned shortly thereafter. Tullett Prebon (Singapore) Limited sought damages for breach of contract and conspiracy. The trial commenced on October 30, 2006 and finished on November 23, 2006. The claims of Tullett Prebon (Singapore) Limited were settled by agreement on November 23, 2006 (the settlement agreement). Since the settlement was reached, BGC International (Singapore Branch) believes that there have been breaches by Tullett Prebon (Singapore) Limited of the settlement agreement. Tullett Prebon (Singapore) Limited denies committing any breaches of the settlement agreement and seeks as alternative relief reinstatement of its original claims seeking $42 million. On December 22, 2006, the same parties who brought the consolidated action referred to above brought an action in the Singapore High Court against BGC International (Singapore Branch) and the other parties to the settlement agreement. The claim alleges that such parties have breached their obligations under the settlement agreement. BGC International (Singapore Branch) denies these allegations and has issued a defense and counterclaim to pursue its rights in respect of what it believes to be breaches of the settlement agreement by Tullett Prebon (Singapore) Limited. In July 2007, the parties settled this dispute. The outcome of these proceedings did not have a material effect on the Division s condensed combined financial statements.

In May 2007, ICAP Corporates LLC (formerly known as Garban Corporates LLC) (ICAP) commenced an arbitration before the NASD (now known as FINRA) against BGC Partners, Inc., BGC Securities, BGC Financial Inc. (together, BGC) and certain of its employees, as well as two former employees of ICAP, in relation to the circumstances of the departure of ten employees from their former employment by ICAP and the commencement of their employment with and by BGC. ICAP purports to allege claims based on, among others, tortious interference with contract, tortious interference with prospective economic advantage, unlawful raiding and mass piracy, conversion, misappropriation of confidential information and unfair competition. On July 6, 2007, the BGC Respondents served their Answer with affirmative defenses, denying all the allegations. BGC Partners, Inc. is not a FINRA member firm and it advised that it would not submit to the jurisdiction of FINRA. The arbitration panel has been selected and the preliminary conference was held on November 29, 2007. The hearing is tentatively scheduled to commence on January 12, 2009.

Other Litigation

The National Australia Bank Limited, which we refer to as NAB, has filed a claim against BGCI and BGC Capital Markets (Japan) LLC (formerly known as Cantor Fitzgerald LLC), which we refer to as BGC Capital Markets (Japan). From September 2001 through January 2004, NAB employees who traded in foreign exchange options allegedly lost substantial money and allegedly overstated the positions which they held. NAB claims that it was the object of conduct by BGCI and BGC Capital Markets (Japan) and certain traders on NAB s currency options desk, whereby BGCI and BGC Capital Markets (Japan) allegedly provided misleading and deceptive independent revaluation rates to NAB s middle office, which were then purportedly relied upon by NAB. NAB alleges that the supply of these revaluation rates prevented NAB from discovering the true position of the currency options portfolio and that it subsequently sustained trading losses of AUD 311 million (or, based

Table of Contents

on an exchange rate of 0.8884 at September 30, 2007, approximately $276 million). The 2006 NAB annual report claims that NAB s total loss amounted to AUD 539 million (or, based on an exchange rate of 0.8884 at September 30, 2007, approximately $479 million), implying that its consequential losses amounted to AUD 228 million (or, based on an exchange rate of 0.8884 at September 30, 2007, approximately $203 million). BGCI and BGC Capital Markets (Japan) have investigated and are investigating the legal and factual basis of the NAB allegations. At this time, based on the information provided, BGCI and BGC Capital Markets (Japan) believe that they have substantial defenses in respect of the losses claimed by NAB. Accordingly, BGCI and BGC Capital Markets (Japan) do not believe that they are responsible for the losses claimed by NAB. While no specific request for damages is alleged, the amount claimed is expected to be in excess of $600 million. If BGCI and BGC Capital Markets (Japan) do not prevail, BGCI and BGC Capital Markets (Japan) could be subject to substantial liability, and in any event, would likely incur significant legal and other costs in connection with the defense of any such action, however, at this time, the Division is unable to estimate a loss or range of losses. From and after the closing date of the merger, any such losses of the Opcos will be allocated to BGC Holdings pursuant to the BGC U.S. limited partnership agreement and BGC Global limited partnership agreement. The impact of such a loss could be material to the Division s results of operations, financial condition or cash flows.

On February 15, 2006, the SEC issued a formal order of investigation into trading by certain inter-dealer brokers in the government and fixed income securities markets. The formal order alleges that the broker-dealers named therein, including the Division, (1) may have made fictitious quotations or made false or misleading statements about the prices at which U.S. Treasury or other fixed income securities would be purchased or sold, (2) may have fabricated market quotations or trading activity in U.S. Treasury or other fixed income securities to stimulate trading and to generate commissions, (3) may have engaged in front running or interpositioning, (4) may have engaged in fraudulent, deceptive or manipulative acts to induce the purchase or sale of government securities, (5) may have failed to keep and preserve certain books and records as required by the SEC and/or the Treasury and (6) may have failed to supervise with a view to preventing violations of applicable rules and regulations as required by the Exchange Act. BGC is cooperating in the investigation. The Division s management believes that, based on currently available information, the final outcome of the investigation will not have a material adverse effect on the Division s results of operations, financial condition or cash flows.

In December 2006, Nittan Capital Group Limited (Nittan) threatened a claim against Euro Brokers (Switzerland) S.A. (EBS) arising out of a Tokyo-based derivatives brokering arrangement entered into between them pursuant to a written agreement dated as of July 1, 2001. EBS, which had a 57.25% interest in the venture, terminated the agreement by written notice of termination; Nittan and EBS dispute the effective date of termination. Nittan claims that termination of the agreement cannot be effective prior to August 7, 2006, and claims that EBS owes Nittan JPY 149 million (or, based on an exchange rate of 0.00871 at September 30, 2007 approximately $1.3 million) for the period October 1, 2005 through March 31, 2006, and indicated that it will also seek to collect additional sums from EBS for the period April 1, 2006 through August 7, 2006. EBS is investigating Nittan s claim and evaluating EBS s defenses, offsets and counterclaims. Nittan have claimed $0.7 million for the period through August 7, 2006. The Division believes that an adequate amount has been reserved for the complete resolution of the matter. The reserve is reflected as part of Accounts payable, accrued and other liabilities on the accompanying condensed combined statements of financial condition. On August 17, 2007, EBS was served with proceedings issued in Japanese courts on behalf of Nittan seeking JPY 216 million (approximately $2.0 million) plus 6% interest accruing from December 9, 2006. A preliminary hearing took place in Tokyo on September 19, 2007 at which the court ordered EBS to file a defense by October 17, 2007. A defense was filed on October 15, 2007. Nittan filed an answer, profit and loss statement and explanatory memorandum of evidence on October 17, 2007. A hearing took place before the court on October 17, 2007. The judge ordered further evidence to be submitted and further pleadings at the next hearing of December 10, 2007.

In addition to the matters discussed above, the Division is a party to several pending legal proceedings and claims that have arisen during the ordinary course of business. The outcome of such items cannot be determined with certainty; therefore the Division can not predict what the eventual loss or range of loss related to such matters will be. The Division s management believes that, based on currently available information, the final

Table of Contents

outcome on the current pending matters will not have a material effect on the Division s cash flow, results of operations or financial position.

Letter of Credit Agreements

The Division has irrevocable uncollateralized letters of credit with various banks that are used in lieu of margin and deposits with clearing organizations. As of September 30, 2007, the Division is contingently liable for $58.8 million under these letters of credit. The Division pays an average fee of .38 % on its letters of credit. As of September 30, 2007, the Division did not have any funds available under these letters of credit. Additionally, as an affiliate of Cantor, the Division has the ability to utilize irrevocable uncollateralized letter of credit facilities, which are guaranteed by Cantor and are available to certain of Cantor s affiliates. The Division can only draw down on these facilities to the extent that there are portions not utilized by other Cantor affiliates.

Risk and Uncertainties

The Division generates revenues by providing securities trading and brokerage activities to institutional customers and by executing and, in some cases, clearing transactions for institutional counterparties. Revenues for these services are transaction-based. As a result, the Division s revenues could vary based on the transaction volume of global financial markets. Additionally, the Division s financing is sensitive to interest rate fluctuations, which could have an impact on the Division s overall profitability.

Guarantees

The Division provides guarantees to securities clearing houses and exchanges which meet the definition of a guarantee under FASB Interpretations No. 45, *Guarantor s Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others*. Under these standard securities and clearinghouse and exchange membership agreements, members are required to guarantee, collectively, the performance of other members and, accordingly, if another member becomes unable to satisfy its obligations to the clearinghouse or exchange, all other members would be required to meet the shortfall. In the opinion of Management, the Division s liability under these agreements is not quantifiable and could exceed the cash and securities they have posted as collateral. However, the potential for the Division to be required to make payments under these arrangements is remote. Accordingly, no contingent liability was recorded in the condensed combined statements of financial condition for these agreements.

14. Employee Benefit Plans

Employees of the Division are eligible to participate in the eSpeed, Inc. Deferral Plan for Employees of Cantor Fitzgerald, L.P. and its Affiliates (the Plan) whereby eligible employees may elect to defer a portion of their salary by directing the Division to contribute withheld amounts to the Plan. The Plan is available to all employees of BGC meeting certain eligibility requirements and is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended. The administration of the Deferred Compensation Plan is performed by Cantor. The Division pays its proportionate share of such administrative costs under the Administrative Services Agreement.

15. Regulatory Requirements

Many of the Division s businesses are subject to regulatory restrictions and minimum capital requirements. These regulatory capital requirements may restrict the Division s ability to withdraw capital from its subsidiaries. Certain U.S. subsidiaries are registered as a U.S. broker-dealer or Futures Commissions Merchant subject to Rule 15c3-1 of the SEC and Rule 1.17 of the Commodity Futures Trading Commission, which specify uniform minimum net capital requirements, as defined, for their registrants, and also require a significant part of the registrants assets be kept in relatively liquid form. As of September 30, 2007, the U.S. subsidiaries had net capital in excess of its minimum capital requirements.

Table of Contents

Certain U.K. subsidiaries of BGC are regulated by the FSA and must maintain financial resources (as defined by the FSA) in excess of the total financial resources requirement of the FSA. As of September 30, 2007, BGCI had financial resources in excess of its requirement. Certain other subsidiaries are subject to regulatory and other requirements of the jurisdictions in which they operate.

The regulatory requirements referred to above may restrict the Division s ability to withdraw capital from its regulated subsidiaries. As of September 30, 2007, $220.1 million of net assets were held by regulated subsidiaries. These subsidiaries had aggregate regulatory net capital, as defined, in excess of the aggregate regulatory requirements, as defined, of $89.1 million.

16. Geographic Information

Segment information

The Division currently operates its business in one reportable segment, that of providing integrated voice and electronic brokerage services to the wholesale, inter-dealer markets in a broad range of products and services, including brokerage services for global fixed income securities, equities, futures, foreign exchange, derivatives and other instruments, including complementary proprietary market data offerings.

Geographic information

The Division offers its products and services in the North America (primarily in the United States), Europe (primarily in the United Kingdom) and the Asia-Pacific region. Revenue attribution for purposes of preparing geographic data is principally based upon the marketplace where the financial product is traded, which, as a result of regulatory jurisdiction constraints in most circumstances, may also be representative of the location of the customer generating the transaction resulting in commissionable revenue. Long-lived assets are defined as forgivable loans, fixed assets, net of accumulated depreciation, investment, goodwill, other intangible assets, net of accumulated amortization and rent and other deposits. The information that follows, in management s judgment, provides a reasonable representation of the activities of each region as of and for the periods indicated.

Revenues by geographic area were as follows (in thousands):

	Nine Months Ended September 30,	
	2007	**2006**
Revenues:		
United Kingdom	$ 338,008	$ 273,504
United States	213,064	155,436
France	85,571	31,172
Other international [(1)]	119,118	84,084
Total revenues	$ 755,761	$ 544,196

Long-lived assets by geographic area were as follows (in thousands):

	September 30, 2007	**December 31, 2006**
Long-lived assets:		
United States	$ 93,386	$ 83,687
United Kingdom	82,871	76,234
France	17,954	17,415
Other international [(1)]	31,448	31,876
Total long-lived assets	$ 225,659	$ 209,212

(1) Other international primarily reflects revenues and long-lived assets in other European countries and Asia-Pacific.

Table of Contents

17. Merger

On May 29, 2007, eSpeed and BGC announced that the two companies will merge, and the combined company will be named BGC Partners, Inc. To acquire BGC, eSpeed will issue an aggregate of 133,860,000 shares of its common stock and rights to acquire shares of its common stock. In the transaction, eSpeed s shares are being valued at $9.75 per share, a 6.09% premium to the closing price of eSpeed Class A common stock on May 29, 2007. The merger, which was recommended by eSpeed s Special Committee and unanimously approved by eSpeed s board of directors, is subject to eSpeed stockholder approval, Financial Services Authority, National Association of Securities Dealers, other regulatory approvals, and customary closing conditions, and is expected to close in the first quarter of 2008.

18. Restatement

Subsequent to the issuance of the Division s combined financial statements for the nine months ended September 30, 2006 management became aware of errors in the accounting for certain intercompany transactions between the Division and certain affiliates of Cantor. Management performed a comprehensive review of the Division s intercompany relationships and activity and determined the combined financial statements required restatement. The combined statement of operations for the nine months ended September 30, 2006 were also restated to correct an error in the classification of interest income and expense. In addition, the combined statements of cash flows for the nine months ended September 30, 2006 were restated to correct errors related to classifications of forgivable loan amortization and investment securities.

A summary of the restatements are reflected in the tables below (in thousands):

	Combined Statement of Operations		
Nine Months Ended September 30, 2006	**Previously Reported**	**Adjustment**	**Restated**
Commissions	$ 373,779	$ 951	$ 374,730
Interest income	22,833	(3,959)	18,874
Other revenues	13,344	129	13,473
Total revenues	547,075	(2,879)	544,196
Compensation and employee benefits	385,094	2,957	388,051
Occupancy and equipment	40,316	9,101	49,417
Communications	35,360	523	35,883
Professional and consulting fees	29,491	1,197	30,688
Fees to related parties	30,902	266	31,168
Selling and promotion	39,395	(6,162)	33,233
Commissions and floor brokerage	5,999	3	6,002
Interest expense	26,440	(3,951)	22,489
Other expenses	20,265	2,164	22,429
Total expenses	613,262	6,098	619,360
Loss from continuing operations before income taxes and minority interest	(66,187)	(8,977)	(75,164)
Benefit for income taxes	(71)	(290)	(361)
Loss from continuing operations	(66,133)	(8,687)	(74,820)
Net loss	(76,863)	(8,687)	(85,550)

Table of Contents

Nine Months Ended September 30, 2006	Combined Statement of Cash Flows Previously Reported	Adjustment	Restated
CASH FLOWS FROM OPERATING ACTIVITIES			
Net loss	$ (76,863)	$ (8,687)	$ (85,550)
Forgivable loan amortization	18,323	10,235	28,558
Decrease in deferred tax liability	(305)	(1,911)	(2,216)
Gain on sale of investment securities	(8,940)	8,940	
Other	334	(113)	221
Securities owned	(3,840)	9,127	5,287
Increase in receivables from brokers, dealers, clearing organizations, customers and related broker-dealers	(833,306)	11,718	(821,588)
Increase in receivables from related parties	(105,372)	(4,577)	(109,949)
Increase in forgivable loans and other receivables from employees	(19,411)	(11,609)	(31,020)
Increase in other assets	(4,451)	(5,443)	(9,894)
Increase in accounts payable, accrued and other liabilities	34,349	8,898	43,247
Net cash used in operating activities	(29,734)	16,579	(13,155)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sale of investment securities	18,067	(18,067)	
Net cash used in investing activities	(13,005)	(18,067)	(31,072)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital withdrawals	(1,613)	1,488	(125)
Net cash provided by financing activities	53,886	1,488	55,374

Table of Contents

MAXCOR FINANCIAL GROUP INC.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2004, 2003 AND 2002

Contents Page

Table of Contents

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors

And Stockholders of

Maxcor Financial Group Inc.

In our opinion, the accompanying consolidated statements of financial condition and the related consolidated statements of operations, changes in stockholders equity and cash flows present fairly, in all material respects, the financial position of Maxcor Financial Group Inc. and its subsidiaries (the Company) at December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2004, in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

New York, New York
March 31, 2005

Table of Contents

MAXCOR FINANCIAL GROUP INC.

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	December 31, 2004	December 31, 2003
ASSETS		
Cash and cash equivalents	$ 52,075,105	$ 67,170,247
Securities purchased under agreements to resell	123,649,872	1,446,677,977
Deposits with clearing organizations	8,315,307	8,848,729
Receivable from broker-dealers, customers and clearing organizations	24,024,898	22,324,106
Securities failed-to-deliver	31,441,349	90,669,388
Securities owned, held at clearing firm	22,229,002	6,687,124
Prepaid expenses and other assets	6,685,303	7,003,794
Deferred tax asset	826,020	734,408
Fixed assets	12,172,222	13,010,863
Total assets	$ 281,419,078	$ 1,663,126,636
LIABILITIES AND STOCKHOLDERS EQUITY		
Liabilities:		
Securities sold under agreements to repurchase	$ 123,608,555	$ 1,470,461,908
Payable to broker-dealer	11,578,831	
Securities failed-to-receive	31,433,246	66,544,835
Securities sold, not yet purchased	36,255	22,428
Accounts payable and accrued liabilities	18,568,916	21,137,048
Accrued compensation payable	27,007,632	30,198,757
Income tax liability	178,107	1,469,456
Deferred taxes payable	3,650,414	5,043,758
Obligations under capitalized leases	210,636	703,944
Revolving credit facility	5,000,000	7,500,000
Total liabilities	221,272,592	1,603,082,134
Commitments and contingencies		
Stockholders equity:		
Preferred stock, $.001 par value, 1,000,000 shares authorized; none issued at December 31, 2004 and December 31, 2003		
Common stock, $.001 par value, 30,000,000 shares authorized; 12,885,376 and 12,794,626 shares issued at December 31, 2004 and December 31, 2003, respectively	12,885	12,795
Additional paid-in capital	39,279,303	38,718,445
Treasury stock at cost; 6,018,772 and 5,655,903 shares of common stock held at December 31, 2004 and December 31, 2003, respectively	(20,430,471)	(16,771,571)
Retained earnings	38,953,787	36,178,583
Accumulated other comprehensive income:		
Foreign currency translation adjustments	2,330,982	1,906,250
Total stockholders equity	60,146,486	60,044,502
Total liabilities and stockholders equity	$ 281,419,078	$ 1,663,126,636

The accompanying notes are an integral part of these consolidated financial statements.

FIN-61

Table of Contents

MAXCOR FINANCIAL GROUP INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended		
	December 31, 2004	December 31, 2003	December 31, 2002
Revenues:			
Commission income	$ 182,660,338	$ 176,497,549	$ 149,428,132
Interest income	14,852,760	6,280,695	2,147,274
Principal transactions, net	8,164,167	6,122,442	8,720,422
Insurance recoveries		11,106,063	11,098,135
Other	(1,547,084)	(1,140,241)	(843,142)
Gross revenues	204,130,181	198,866,508	170,550,821
Interest expense on securities indebtedness	13,752,951	4,117,319	147,865
Net revenues	190,377,230	194,749,189	170,402,956
Costs and expenses:			
Compensation and related costs	131,033,218	126,323,608	107,024,194
Communication costs	13,778,854	12,989,853	10,597,126
Travel and entertainment	10,824,107	9,833,755	7,406,116
Occupancy and equipment rental	10,698,360	6,623,731	4,490,356
Clearing and execution fees	3,804,372	3,865,514	3,311,759
Depreciation and amortization	3,082,439	3,220,577	2,405,834
Charity Day contributions	1,042,864	982,300	1,219,233
Other interest expense	181,221	406,772	151,214
Costs related to World Trade Center attacks			3,204,468
General, administrative and other expenses	7,500,398	7,220,567	4,933,483
	181,945,833	171,466,677	144,743,783
Income before provision for income taxes, minority interest and extraordinary item	8,431,397	23,282,512	25,659,173
Provision for income taxes	3,895,581	9,749,282	12,130,758
Income before minority interest and extraordinary item	4,535,816	13,533,230	13,528,415
Minority interest in income of consolidated subsidiary		(175,985)	(981,791)
Income before extraordinary item	4,535,816	13,357,245	12,546,624
Extraordinary gain on purchase of minority interest		2,957,547	
Net income	$ 4,535,816	$ 16,314,792	$ 12,546,624
Basic earnings per share:			
Income before extraordinary item	$ .64	$ 1.91	$ 1.72
Extraordinary gain on purchase of minority interest		.42	
Net income	$ .64	$ 2.33	$ 1.72
Diluted earnings per share:			
Income before extraordinary item	$ .58	$ 1.62	$ 1.53
Extraordinary gain on purchase of minority interest		.36	

Net income	$ .58	$ 1.98	$ 1.53
Cash dividends per share of common stock	$ .25	$ .125	$ 0

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

MAXCOR FINANCIAL GROUP INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2004, 2003 AND 2002

	Comprehensive Income	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2001		$ 11,613	$ 33,731,266	($ 8,992,281)	$ 8,195,155	$ 1,371,150	$ 34,316,903
Comprehensive income							
Net income for the year ended December 31, 2002	$ 12,546,624				12,546,624		12,546,624
Foreign currency translation adjustment (inclusive of income tax benefit of $148,909)	158,983					158,983	158,983
Comprehensive income	$ 12,705,607						
Exercise of common stock purchase warrants (492,795 shares)		493	2,463,482				2,463,975
Exercise of stock options, including tax benefit of $53,749 (111,643 shares, net)		127	323,160	(96,525)			226,762
Acquisition of treasury stock (375,507 shares)				(2,120,161)			(2,120,161)
Balance at December 31, 2002		12,233	36,517,908	(11,208,967)	20,741,779	1,530,133	47,593,086
Comprehensive income							
Net income for the year ended December 31, 2003	$ 16,314,792				16,314,792		16,314,792
Foreign currency translation adjustment (inclusive of income tax benefit of $2,712)	376,117					376,117	376,117
Comprehensive income	$ 16,690,909						
Exercise of stock options, including tax benefit of $763,293 (499,863 shares, net)		562	2,200,537	(826,303)			1,374,796
Acquisition of treasury stock (616,300 shares)				(4,736,301)			(4,736,301)
Common stock dividends					(877,988)		(877,988)
Balance at December 31, 2003		12,795	38,718,445	(16,771,571)	36,178,583	1,906,250	60,044,502
Comprehensive income							
Net income for the year ended December 31, 2004	$ 4,535,816				4,535,816		4,535,816
Foreign currency translation adjustment (inclusive of income tax benefit of $193,856)	424,732					424,732	424,732
Comprehensive income	$ 4,960,548						
Exercise of stock options, including tax benefit of $233,131 (89,844 shares, net)		90	560,858	(8,063)			552,885
Acquisition of treasury stock (361,963 shares)				(3,650,837)			(3,650,837)
Common stock dividends					(1,760,612)		(1,760,612)
Balance at December 31, 2004		$ 12,885	$ 39,279,303	($ 20,430,471)	$ 38,953,787	$ 2,330,982	$ 60,146,486

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

MAXCOR FINANCIAL GROUP INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended		
	December 31, 2004	December 31, 2003	December 31, 2002
Cash flows from operating activities:			
Net income	$ 4,535,816	$ 16,314,792	$ 12,546,624
Adjustments to reconcile net income to net cash (used in) provided by operating activities:			
Depreciation and amortization	3,082,439	3,220,577	2,405,834
Provision for doubtful accounts	148,094	(63,348)	(77,136)
Gain on purchase of minority interest		(2,957,547)	
Net loss on disposal of fixed assets	24,203		
Unfunded losses of contractual arrangements	603,627	1,030,933	1,001,552
Minority interest in net earnings of consolidated subsidiaries		175,985	981,791
Deferred income taxes	(1,451,316)	4,303,936	(22,517)
Income tax benefit on stock options exercised	233,131	763,293	53,749
Change in assets and liabilities:			
Decrease (increase) in securities purchased under agreements to resell	1,323,028,105	(1,446,677,977)	
Decrease (increase) in deposits with clearing organizations	533,422	(2,530,200)	17,551
Increase in receivable from broker-dealers and customers	(1,213,395)	(2,086,906)	(807,736)
Decrease (increase) in securities failed-to-deliver	59,228,039	(90,669,388)	184,768,776
(Increase) decrease in securities owned, held at clearing firm	(15,453,752)	22,847,012	(17,431,495)
Decrease (increase) in prepaid expenses and other assets	511,843	(2,574,640)	(418,766)
(Decrease) increase in securities sold under agreements to repurchase	(1,346,853,353)	1,470,461,908	
Increase (decrease) in payable to broker-dealer	11,578,831	(17,337,560)	10,698,736
(Decrease) increase in securities failed-to-receive	(35,111,589)	66,544,835	(183,649,730)
Increase (decrease) in securities sold, not yet purchased	13,827	(121,725)	144,153
Decrease in accounts payable and accrued liabilities	(3,799,931)	(5,303,226)	(4,413,181)
(Decrease) increase in accrued compensation payable	(4,072,379)	1,943,438	4,631,660
(Decrease) increase in income taxes payable	(1,270,336)	794,857	(511,862)
Net cash (used in) provided by operating activities	(5,704,674)	18,079,049	9,918,003
Cash flows from investing activities:			
Purchase of fixed assets	(2,380,029)	(9,742,244)	(7,611,516)
Purchase of minority interest		(2,613,156)	
Proceeds from the sale of fixed assets	55,333		
Net cash used in investing activities	(2,324,696)	(12,355,400)	(7,611,516)
Cash flows from financing activities:			
Proceeds from exercise of options	319,754	611,503	173,013
Proceeds from exercise of warrants			2,463,975
Common stock dividends	(1,760,612)	(877,988)	
(Repayments) borrowings under revolving credit facility, net	(2,500,000)	7,500,000	
Repayment of notes payable			(447,978)
Proceeds from asset sales under sale-leaseback transactions		5,220,658	
Repayment of obligations under capitalized leases	(296,910)	(208,276)	(137,559)
Acquisition of treasury stock	(3,650,837)	(4,736,301)	(2,120,161)
Net cash (used in) provided by financing activities	(7,888,605)	7,509,596	(68,710)
Effect of exchange rate changes on cash	822,833	1,155,386	978,555
Net (decrease) increase in cash and cash equivalents	(15,095,142)	14,388,631	3,216,332
Cash and cash equivalents at beginning of year	67,170,247	52,781,616	49,565,284

Cash and cash equivalents at end of year	$ 52,075,105	$ 67,170,247	$ 52,781,616
Supplemental disclosures of cash flow information:			
Interest paid	$ 13,481,393	$ 4,456,755	$ 229,750
Income taxes paid	6,162,719	5,309,227	10,639,955
Non-cash financing activities:			
Capital lease obligations incurred			706,094
Capital lease obligations cancelled	203,148		
Receipt of shares in treasury for exercise price of stock options	8,063	826,303	96,525

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

MAXCOR FINANCIAL GROUP INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2004, 2003 AND 2002

NOTE 1 ORGANIZATION AND BASIS OF PRESENTATION:

Maxcor Financial Group Inc. (MFGI) is a publicly-held financial services holding company that was incorporated in Delaware in 1994. In August 1996, MFGI acquired Euro Brokers Investment Corporation (EBIC), a privately held international and domestic inter-dealer broker.

EBIC, incorporated in December 1986 in connection with a management buyout of predecessor operations dating to 1970, through its subsidiaries and businesses is primarily an inter-dealer broker of money market instruments, derivative products and selected securities, with principal offices in New York, London and Tokyo, other offices in Stamford (CT), Switzerland and Mexico, as well as correspondent relationships with other brokers throughout the world. Maxcor Financial Inc. (MFI), a U.S. registered broker-dealer subsidiary, also conducts institutional sales and trading operations in various fixed income and equity securities.

The consolidated financial statements include the accounts of MFGI and its majority-owned subsidiaries and other entities over which it exercises control (collectively, the Company). All significant intercompany balances and transactions have been eliminated.

NOTE 2 SIGNIFICANT ACCOUNTING POLICIES:

Revenue recognition:

Commission income, principal transactions and related expenses are recorded on a trade date basis.

Principal transactions represent the net gains generated from the Company s securities transactions that involve the assumption of market risk for a period of time and include unrealized mark-to-market gains and losses on positions held. Revenues derived from matched riskless principal transactions are included in commission income.

Revenue from the sale of pricing and volume data sourced from the Company s brokerage business is included in other income and is recognized on a pro-rata basis over the terms of the respective agreements. Any payments received in advance are deferred and are included in accounts payable and accrued liabilities.

Securities:

Transactions in securities are recorded on a trade date basis.

Securities are carried at market value, generally based upon quoted dealer prices. To the extent quoted prices are not available, securities are valued at fair value as determined by management generally based upon quoted prices of securities with similar characteristics.

Cash and cash equivalents:

The Company considers all short-term investments with an initial maturity of three months or less to be cash equivalents.

Allowance for doubtful accounts:

The Company maintains an allowance for doubtful accounts to reduce its billed receivables on name give-up brokerage transactions to the amount expected to be collected on such receivables.

Table of Contents

Fixed assets:

Depreciation and amortization of furniture, equipment and software is computed on a straight-line basis using estimated useful lives of 3 to 5 years. Leasehold improvements are amortized over the lesser of the terms of the related leases or the estimated useful lives of the improvements.

Foreign currencies:

Assets and liabilities denominated in foreign currencies are translated to U.S. dollars using exchange rates at the end of the year. Revenues and expenses are translated at average monthly rates during the year.

Gains and losses on foreign currency translation of the financial statements of foreign operations whose functional currency is other than the U.S. dollar, together with related hedges and tax effects and the effect of exchange rate changes on intercompany transactions of a long-term investment nature, are reflected as foreign translation adjustments in the accumulated other comprehensive income section of stockholders equity. Foreign currency exchange gains and losses from transactions and balances denominated in a currency other than the related foreign operation s functional currency are recorded in operations.

Fair value of financial instruments:

The financial instruments of the Company are reported in the consolidated statements of financial condition at fair values, or at carrying amounts that management estimates approximate fair values as such financial instruments are short-term in nature or bear interest at rates approximating current market.

Income taxes:

Income taxes are accounted for using the asset and liability method. Deferred taxes are recognized for the tax consequences of temporary differences between the recognition of tax effects for financial statement purposes and income tax reporting purposes by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities. A valuation allowance is recorded to reduce the deferred tax asset to only that portion that is judged more likely than not to be realized.

Table of Contents

Stock-based compensation:

The Company accounts for stock-based compensation using the intrinsic value method as prescribed by Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees (APB 25). Accordingly, the Company has not recognized any compensation cost associated with stock-based compensation since the market prices of the underlying stock on the option and warrant grant dates were not greater than the exercise prices. As required by Statement of Financial Accounting Standards No. 148, Accounting for Stock-Based Compensation Transition and Disclosure an Amendment of FASB Statement No. 123, the Company has disclosed below its estimated pro forma net income and earnings per share if compensation for awards issued under its option and warrant plans had been recognized using the fair value method of Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation, with such fair value estimated using the Black Scholes option pricing model. For further information on the assumptions used and the resulting amounts, see Note 18.

	2004	2003	2002
Net income, as reported	$ 4,535,816	$ 16,314,792	$ 12,546,624
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	390,330	956,048	813,362
Pro forma net income	$ 4,145,486	$ 15,358,744	$ 11,733,262
Earnings per share:			
Basic, as reported	$ .64	$ 2.33	$ 1.72
Basic, pro forma	$ .59	$ 2.20	$ 1.61
Diluted, as reported	$ .58	$ 1.98	$ 1.53
Diluted, pro forma	$ .53	$ 1.87	$ 1.43

Use of estimates:

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Recently issued accounting standards:

In December 2003, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 46(R), Consolidation of Variable Interest Entities (FIN 46(R)). FIN 46(R) addresses how a business enterprise should evaluate whether it has a controlling financial interest in an entity through a means other than voting rights and accordingly should consolidate the entity. FIN 46(R) replaced FASB Interpretation No. 46, Consolidation of Variable Interest Entities (FIN 46), which was issued in January 2003. Prior to FIN 46, variable interest entities were commonly referred to as special purpose entities. The adoption of FIN 46(R) in 2004 had no impact on the Company s consolidated financial statements.

In December 2004, the FASB issued a revision to Statement of Financial Accounting Standards No. 123 (SFAS 123), Statement of Financial Accounting Standards No. 123(R) Shared Based Payment (SFAS 123(R)). SFAS 123(R) will require compensation costs related to share-based payment transactions to be recognized in the financial statements over the period that an employee provides services in exchange for the award. SFAS 123(R) replaces SFAS 123 and supersedes APB No. 25. SFAS No. 123(R) will be effective for the Company s third quarter of 2005. Management is currently evaluating the effect of adopting SFAS 123(R).

Table of Contents

NOTE 3 ATTACKS ON WORLD TRADE CENTER:

On September 11, 2001, the Company s headquarters on the 84th Floor of Two World Trade Center in downtown New York were destroyed when two commercial jet planes hijacked by terrorists crashed into the World Trade Center towers. As a result of these attacks, 61 employees and staff members, out of a New York work force approximating 300, were killed. The Company also lost all of the property and technological infrastructure maintained at Two World Trade Center and experienced a total disruption of its New York based operations. On September 18, 2001, the Company relocated its entire New York-based operations to temporary facilities provided by Prudential Securities, the parent company of one of the Company s clearing firms, at One New York Plaza in lower Manhattan.

The Company maintained insurance coverages that mitigated the financial impacts of the attacks. Its U.S. insurance policies, underwritten by Kemper Insurance Companies (Kemper), covered replacement costs of destroyed property and losses from interruption of business operations, including lost revenues (net of saved expenses) and extra expenses incurred in New York. Its U.K. policy, underwritten by Norwich Union (Norwich), covered lost revenues (net of saved expenses) and extra expenses incurred in London.

During 2002 the Company settled its claims against Kemper and Norwich for lost revenues (net of saved expenses) and extra expenses incurred for an aggregate amount of $20 million. The portion of these settlements relating to lost revenues (net of saved expenses) is reflected on the consolidated statements of operations in revenues as insurance recoveries. In 2002, the amount recorded as insurance recoveries of $11,098,135 represents the gross settlements relating to lost revenues (net of saved expenses) of $15,596,279, less the $4,498,144 amount recorded in 2001.

The portion of the settlements described above relating to extra expenses incurred has been reflected on the consolidated statement of operations in 2002 as reductions to costs related to World Trade Center attacks. These offsets were recorded as the extra expenses were incurred and the related recovery was considered probable or had been recovered. The gross amount of the extra expenses in 2002 of $7,020,331 has been reduced by an offset of $3,815,863 resulting in a net charge of $3,204,468. Included in gross costs during 2002 was the cost of foregoing an extension of a sublease on additional space in London that was re-allocated for potential use by New York employees. This gross cost of $2.7 million ($2.4 million net after applying the portion of insurance proceeds from Norwich Union allocable to this cost) was based upon the portion of this space that management intended to sublet (10,000 square feet) and was based upon management s estimate of the length of time it will take to generate sublet income and the difference between the amount management believed it would then be able to sublet the space for and the Company s cost associated with the space. In the 2004 consolidated statements of operations, occupancy and equipment rental include an additional $3.1 million of expenses relating to excess office space in London to reflect management s intent to sublet the entire space previously occupied by the former subtenant (15,739 square feet) and to amend management s estimate of the length of time it will take to generate sublet income and the amount management believes it will then be able to sublet the space for. Other gross extra expenses incurred in 2002 related to the attacks on the World Trade Center include additional occupancy costs in New York, the purchase of equipment solely compatible with the Company s temporary facilities in New York, the use of outside professionals, interest on failed securities settlements, recruitment fees and benefits for the families of deceased employees.

During 2003, the Company settled in full its property insurance claim against Kemper resulting in a net gain recognized of $11,106,063, which is reflected on the consolidated statements of operations in revenues as insurance recoveries. This net gain reflected the gross insurance proceeds of $13,868,210 received for the property claim since the September 11th attacks, less $2,762,147, representing the aggregate of the net book value of owned property destroyed in the attacks, termination costs associated with operating leases of equipment destroyed in the attacks and claim-related expenses.

Table of Contents

NOTE 4 CHARITY DAY CONTRIBUTIONS:

During 2004, 2003 and 2002, the Company held Charity Days for which all the revenues generated by the New York, Stamford, London, Switzerland and Mexico offices were donated to designated charities. All participating brokerage employees waived any entitlement to commissions from such revenues. The proceeds of $1,042,864 raised on the 2004 Charity Day were designated for The Euro Brokers Relief Fund, Inc., which provides charitable aid to the families and other financial dependents of the Company s 61 employees and staff members killed as a result of the September 11th attacks, and the firm s Maxcor Foundation Inc. The Maxcor Foundation Inc. in turn designated four recipients: Marine Corps-Law Enforcement Foundation, Inc., Columbia University Medical Center, Duke University s Fuqua/Coach K Center for Leadership and Ethics and The Royal Mardsden Hospital in London. The 2003 Charity Day raised a total of $982,300, which was contributed to The Euro Brokers Relief Fund, Inc. and various charities supported by the Maxcor Foundation Inc., and the $1,219,233 raised on the 2002 Charity Day was contributed entirely to the Euro Brokers Relief Fund, Inc.

NOTE 5 REPURCHASE AND REVERSE REPURCHASE AGREEMENTS:

Transactions involving the purchase of U.S. Treasury and U.S. federal agency securities under agreements to resell (reverse repurchase agreements) and the sale of U.S. Treasury and U.S. federal agency securities under agreements to repurchase (repurchase agreements) are treated as collateralized financings and are recorded at contracted amounts, plus accrued interest. These amounts are presented on a net-by-counterparty basis when the requirements of Financial Accounting Standards Board (FASB) Interpretation No. 41 are satisfied. Income and expense on these agreements are recognized as interest over the life of the transaction.

The Company monitors the fair value of the securities purchased and sold under these agreements daily and obtains additional collateral or returns excess collateral when appropriate. Securities received as collateral for reverse repurchase agreements are used to secure repurchase agreements. As of December 31, 2004, the fair value of securities pledged as collateral under reverse repurchase agreements of $286.8 million was repledged under repurchase agreements.

NOTE 6 EARNINGS PER SHARE:

The following is a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations for the years ended December 31, 2004, 2003 and 2002:

	2004	2003	2002
Numerator (basic and diluted calculation):			
Net income	$ 4,535,816	$ 16,314,792	$ 12,546,624
Denominator:			
Weighted average common shares outstanding basic calculation	7,051,720	6,987,415	7,304,284
Dilutive effect of stock options and warrants	746,943	1,241,184	906,354
Weighted average common shares outstanding diluted calculation	7,798,663	8,228,599	8,210,638
Basic earnings per share:			
Income before extraordinary item	$ .64	$ 1.91	$ 1.72
Extraordinary gain on purchase of minority interest		.42	
Net income	$ .64	$ 2.33	$ 1.72
Diluted earnings per share:			
Income before extraordinary item	$ .58	$ 1.62	$ 1.53
Extraordinary gain on purchase of minority interest		.36	
Net income	$ .58	$ 1.98	$ 1.53
Antidilutive common stock equivalents Options	270,000	190,000	270,000

Table of Contents

NOTE 7 DEPOSITS WITH CLEARING ORGANIZATIONS:

The following is a summary of deposits with clearing organizations at December 31, 2004 and 2003:

	December 31, 2004	December 31, 2003
Cash	$ 811,135	$ 810,803
U.S. Treasury obligations	7,504,172	8,037,926
	$ 8,315,307	$ 8,848,729

Pursuant to its membership in the Government Securities Division of the Fixed Income Clearing Corporation (GSD-FICC), MFI is required to maintain a clearing deposit with GSD-FICC based upon its level of trading activity (with a minimum deposit of $5,000,000). At December 31, 2004 and 2003, MFI s clearing deposit with GSD-FICC approximated $7,000,000 and $7,520,000, respectively. The remaining collateral deposits reflect requirements from MFI s clearing brokers.

NOTE 8 RECEIVABLE FROM AND PAYABLE TO BROKER-DEALERS, CUSTOMERS AND CLEARING ORGANIZATIONS:

The following is a summary of receivable from and payable to broker-dealers, customers and clearing organizations at December 31, 2004 and 2003:

	December 31, 2004		December 31, 2003
	Receivable	Payable	Receivable
Commissions receivable	$ 22,640,010	$	$ 21,487,492
Receivable from clearing firms	1,334,408		836,614
Receivable from clearing organization	50,480		
Payable to clearing firm		11,578,831	
	$ 24,024,898	$ 11,578,831	$ 22,324,106

The Company clears its matched riskless principal brokerage transactions and its securities sales and trading transactions through other broker-dealers on a fully-disclosed basis pursuant to clearing agreements. The receivable from clearing firms primarily represents commissions due on matched riskless principal brokerage transactions, net of transaction fees, while the payable to clearing firm at December 31, 2004 represents the net amount owed for financing the Company s securities positions. This clearing firm provides a range of borrowing availability on securities positions from 0% for certain corporate bonds to 93% for municipal securities. Commissions receivable represent amounts billed on the Company s name give-up brokerage transactions, net of allowances for doubtful accounts of approximately $613,000 and $483,000 at December 31, 2004 and 2003, respectively.

Table of Contents

NOTE 9 SECURITIES OWNED, HELD AT CLEARING FIRM AND SECURITIES SOLD, NOT YET PURCHASED:

The following is a summary of securities owned, held at clearing firm and securities sold, not yet purchased at December 31, 2004 and 2003:

	December 31, 2004		December 31, 2003	
	Owned, Held at Clearing Firm	Sold, Not Yet Purchased	Owned, Held at Clearing Firm	Sold, Not Yet Purchased
Municipal obligations	$ 10,772,112	$	$ 6,028,680	$
Foreign sovereign debt			551,850	
Corporate bonds	11,096,725			
Corporate stocks	360,165	36,255	106,594	22,428
	$ 22,229,002	$ 36,255	$ 6,687,124	$ 22,428

Securities positions held by the Company s clearing firms may be rehypothecated by them.

NOTE 10 MINORITY INTEREST:

Euro Brokers Finacor Limited:

On January 1, 1999, Euro Brokers International Limited (EBIL), a U.K. subsidiary, completed a Sale and Purchase Agreement with Monecor (London) Limited (Monecor), issuing 50% of its share capital to Monecor in exchange for net assets approximating $5.4 million, consisting of all the shares of Monecor s subsidiary, Finacor Limited, and the assets and undertaking of its Finacor Peter branch in Paris. This transaction combined the existing interest rate options, U.S. dollar deposit and the euro, British pound sterling and Japanese yen swaps operations of EBIL with the euro and Scandanavian swaps businesses of Finacor Limited and the euro swaps business of Finacor Peter. Simultaneously, EBIL changed its name to Euro Brokers Finacor Limited (EBFL). The Company was deemed to have management control of EBFL because of the Company s mandated 3 to 2 majority on EBFL s Board of Directors and the fact that the day-to-day operations of EBFL were principally run by the Chief Executive Officer of Euro Brokers Holdings Ltd. (EBHL), the Company s U.K. based holding company. Accordingly, the assets and liabilities and results of operations of EBFL were consolidated in the Company s consolidated financial statements, with Monecor s interest presented as minority interest.

In May 2002, EBHL obtained a judgment of the London High Court of Justice entitling EBHL to purchase Monecor s 50% shareholding in EBFL at a 30% discount to the book value attributable to this shareholding as of December 2000. The Company had sought this judgment under the terms of the EBFL shareholders agreement as a result of Monecor s failure to provide certain requested funding to EBFL in late 2000. In February 2003, the London Court of Appeals dismissed Monecor s appeal of the May 2002 judgment, enabling EBHL to proceed with the acquisition of Monecor s shareholding at the discounted price. Upon completion of the purchase in February 2003, EBFL was renamed as Euro Brokers Limited (EBL), and the Company recorded a one-time extraordinary gain of $2,957,547, representing the excess of the $5,570,703 amount recorded for Monecor s interest in EBFL over the purchase price of $2,613,156.

NOTE 11 TOKYO-BASED VENTURE:

Since 1994, the Company has held an interest in a Tokyo-based derivatives brokering venture (the Tokyo Venture) structured under Japanese law as a Tokumei Kumiai (TK). A TK is a contractual arrangement in which an investor invests in a business of a TK operator by making a capital contribution to the TK operator and, in return, becomes entitled to a specified percentage of the profits of the business while also becoming obligated to fund a specified percentage of the losses of the business. The Company has a 57.25% interest in the Tokyo Venture, with Nittan Capital Group Limited (Nittan), the TK operator, holding a 42.75% interest. Although the operations of the Tokyo Venture have always been run and managed by persons appointed by the Company, it

Table of Contents

does not operate in a legal entity separately distinguishable from Nittan, which has other substantial operations, and, accordingly, the Company accounts for its share of the results of operations of the Tokyo Venture in other income as non-equity income or loss from contractual arrangement.

Summarized operating results of the Tokyo Venture for the years ended December 31, 2004, 2003 and 2002, along with the Company s share of those results, are presented below:

	2004	2003	2002
Revenues	$ 4,399,108	$ 4,891,281	$ 10,405,376
Expenses	7,112,062	7,616,662	12,473,906
Loss	$ (2,712,954)	$ (2,725,381)	$ (2,068,530)
Company s share	$ (1,553,166)	$ (1,560,281)	$ (1,184,233)

NOTE 12 FIXED ASSETS:

Fixed assets at December 31, 2004 and 2003 are summarized below:

	December 31, 2004	December 31, 2003
Furniture and telephone equipment	$ 12,207,583	$ 11,000,473
Leasehold improvements	13,372,118	12,834,635
Computer and related equipment	7,438,965	6,380,616
Software	9,318,625	8,541,527
Automobiles	1,135,137	1,393,961
	43,472,428	40,151,212
Less Accumulated depreciation and amortization	(31,300,206)	(27,140,349)
	$ 12,172,222	$ 13,010,863

NOTE 13 OBLIGATIONS UNDER CAPITALIZED LEASES:

The Company, primarily in the U.K., has purchased automobiles under capitalized leases. The lease terms generally do not exceed three years. The following is a schedule of future minimum lease payments under capitalized leases together with the present value of the net minimum lease payments as of December 31, 2004:

For the Year Ending December 31, 2005	$ 231,578
Less Amount representing interest	(20,942)
Present value of total minimum lease payments	$ 210,636

The gross amounts of assets under capitalized leases are approximately $409,000 and $1,046,000 at December 31, 2004 and 2003, respectively. Such amounts are included in fixed assets in the consolidated statements of financial condition. The charges to income resulting from the amortization of assets recorded under capitalized leases were approximately $20,000, $375,000 and $219,000 for the years ended December 31, 2004, 2003 and 2002, respectively.

NOTE 14 REVOLVING CREDIT FACILITY:

In March 2003, Euro Brokers Inc. (EBI), a U.S. subsidiary, entered into a Credit Agreement with The Bank of New York for a three-year revolving credit facility of up to $15 million. This facility is secured by EBI s receivables and the stock issued by EBI to its direct parent and initially had mandatory reductions to availability of $5 million on each of the eighteenth and thirtieth months following the closing date. In November 2003, this facility was amended to expand the permitted use of borrowings and to establish a fixed availability of

Table of Contents

$10 million through maturity. This agreement contains certain covenants which require EBI separately, and the Company as a whole, to maintain certain financial ratios and conditions. Borrowings under this facility bear interest at a variable rate based upon two types of borrowing options, (1) an alternate base rate option which incurs interest at the prime rate plus a margin or (2) a Eurodollar option which incurs interest at rates quoted in the London interbank market plus a margin. Commitment fees of .35% per annum are charged on the unused portion of this new facility. MFGI has executed an agreement to guarantee the payment of amounts due under this facility. At December 31, 2004 and 2003, the Company had borrowings outstanding under this facility of $5,000,000 and $7,500,000, respectively.

NOTE 15 EMPLOYEE BENEFIT PLAN:

The Company maintains a 401(k) defined contribution plan for the Company s U.S. operations covering substantially all salaried employees. The Company s contributions to the 401(k) plan are, subject to a maximum limit, based upon a percentage of employee contributions. Total 401(k) plan expense approximated $247,000, $235,000 and $213,000 for the years ended December 31, 2004, 2003 and 2002, respectively.

NOTE 16 INCOME TAXES:

Income before provision for income tax, minority interest and extraordinary item is subject to tax under the following jurisdictions:

	For the Year Ended		
	December 31, 2004	December 31, 2003	December 31, 2002
Domestic	$ 5,549,849	$ 16,742,077	$ 22,801,450
Foreign	2,881,548	6,540,435	2,857,723
Total	$ 8,431,397	$ 23,282,512	$ 25,659,173

The components of the provision for income taxes are as follows:

	For the Year Ended		
	December 31, 2004	December 31, 2003	December 31, 2002
Current			
Federal	$ 3,037,564	$ 1,759,517	$ 7,980,966
State and local	867,025	345,553	2,291,478
Foreign	1,403,140	3,340,276	1,880,831
	5,307,729	5,445,346	12,153,275
Deferred			
Federal	(245,388)	2,760,376	(746,432)
State and local	(1,072,923)	1,913,063	906,825
Foreign	(93,837)	(369,503)	(182,910)
	(1,412,148)	4,303,936	(22,517)
Total	$ 3,895,581	$ 9,749,282	$ 12,130,758

Table of Contents

Deferred tax assets (liabilities) are comprised of the following:

	December 31, 2004	December 31, 2003
Assets		
Bad debt reserve	$ 180,046	$ 171,529
Occupancy reserves	88,158	70,926
Fixed assets	558,492	620,188
Net operating losses (NOLs)	483,689	383,733
Foreign tax credits	183,529	103,520
Capital loss carryforwards	322,049	387,609
Unrealized losses	250,148	
Other	347,258	298,851
Deferred tax asset valuation allowance	(989,267)	(857,555)
Gross deferred tax asset, after valuation allowance	1,424,102	1,178,801
Jurisdictional deferred taxes payable offset	(598,082)	(444,393)
Deferred tax asset	$ 826,020	$ 734,408
Liabilities		
Unrealized gains	$	$ (648,835)
Fixed assets	(4,051,315)	(4,565,128)
Other	(197,181)	(274,188)
Gross deferred tax liability	(4,248,496)	(5,488,151)
Jurisdictional deferred tax asset offset	598,082	444,393
Deferred tax liability	$ (3,650,414)	$ (5,043,758)

The valuation allowance for deferred tax assets has been established for assets arising from various foreign timing differences to reduce the amounts to only that portion that is judged more likely than not to be realized. Foreign tax credit carryforwards of approximately $73,000, $24,000, $2,000 and $85,000 expire in 2005, 2007, 2008 and 2009, respectively. Foreign NOLs approximating $710,000, $228,000, $1,505,000, $665,000 and $117,000 expire in 2007, 2008, 2009, 2010 and 2011, respectively.

The provision for income taxes differs from the amount of income tax determined by applying the applicable U.S. statutory federal income tax rate to pre-tax income from continuing operations as a result of the following differences:

	For the Year Ended		
	December 31, 2004	December 31, 2003	December 31, 2002
Tax at U.S. statutory rate	$ 2,866,675	$ 7,916,054	$ 8,724,119
Increase (decrease) in tax resulting from:			
Higher effective rates on earnings of foreign operations and tax benefit of foreign losses not recognized, net	292,213	508,896	610,115
Nondeductible meals and entertainment	1,276,561	1,087,118	955,536
Reduction of income tax reserves	(391,922)	(500,000)	
Non-taxable interest income	(102,809)	(540,607)	(336,974)
Decrease to deferred tax asset valuation allowance	(82,110)	(290,210)	
State and local taxes, net	354,940	1,820,720	2,110,880
Other	(317,967)	(252,689)	67,082

$ 3,895,581	$ 9,749,282	$ 12,130,758

Table of Contents

NOTE 17 STOCKHOLDERS EQUITY:

Dividends:

During 2003, the Company declared and paid its first two quarterly common stock dividends, each at the rate of $.0625 per share ($.25 per share on an annualized basis), for aggregate payments of $877,988. During 2004, the Company declared and paid four quarterly common stock dividends, each at the rate of $.0625, for aggregate payments of $1,760,612.

Preferred stock:

Pursuant to the Company s adoption of a shareholder rights plan (the Plan) in December 1996, the Company authorized the creation of Series A Junior Participating Preferred Stock, par value $.001 per share (Series A Preferred Stock), and reserved 300,000 shares thereof for issuance upon exercise of the preferred stock purchase rights (each, a Right) that, pursuant to the Plan, were at the time dividended to holders of common stock on the basis of one Right, expiring December 6, 2006, for each share of common stock. Each Right will entitle the registered holder to purchase from the Company one one-hundredth of a share of Series A Preferred Stock for $22.50, subject to adjustment. The Rights, however, generally do not become exercisable until ten days after a person or group acquires (or commences a tender or exchange offer to acquire) 15% or more beneficial ownership of the common stock. Upon occurrence of such event (subject to certain conditions and exceptions more fully described in the Plan), and subject to the Rights no longer being redeemable, each Right would entitle the holder thereof (other than the person or group triggering such exercisability) to buy (with certain limited exceptions) common stock of the Company (or, if the Company is acquired, common shares of the surviving entity) having a market value equal to twice the exercise price of the Right. The Rights may be redeemed by the Company, generally at any time prior to the triggering events described above, at a price of $.01 per Right. At December 31, 2004 and 2003, there were no shares of preferred stock outstanding.

Common stock and warrants:

At December 31, 2001, the Company had outstanding 7,026,229 shares of common stock and held 4,586,540 shares of common stock in treasury. The Company also had outstanding 685,948 redeemable purchase warrants issued in connection with the Company s 1994 initial public offering (the IPO Warrants) and 49,032 Series B redeemable common stock purchase warrants issued in connection with the acquisition of EBIC (the Acquisition Warrants). Both series of warrants entitled the holder to purchase from the Company one share of common stock at an exercise price of $5.00 per share.

In April 2002, the Company issued 492,795 shares of common stock upon the exercise of an aggregate like number of IPO Warrants and Acquisition Warrants and received total proceeds of $2,463,975. The remaining IPO Warrants and Acquisition Warrants expired on April 12, 2002.

During the year ended December 31, 2002, the Company purchased 375,507 shares under its repurchase program at an aggregate purchase price of $2,120,161. This program was authorized by the Board of Directors in July 2001 for 709,082 shares, representing 10% of the then-outstanding common stock, and was expanded by 490,918 shares, to 1,200,000 shares, by the Board of Directors in late September 2001 (214,000 shares had been purchased under this authorization in 2001 at an aggregate purchase price of $810,725). The Company also issued 127,000 shares in 2002 pursuant to options exercised under the Company s 1996 Stock Option Plan. In connection with certain exercises, the Company received 15,357 shares into treasury as consideration for exercise prices aggregating $96,525.

During the year ended December 31, 2003, the Company s Board of Directors increased the July 2001 repurchase program authorization by an additional 700,000 shares, to an authorization of 1,900,000 shares, and purchased an additional 616,300 shares under this expanded authorization at an aggregate purchase price of $4,736,301. The Company also issued an aggregate of 562,062 shares in 2003 pursuant to options exercised under the Company s 1996 Stock Option Plan and the Company s 2002 Stock Option Plan (collectively, the

Table of Contents

Option Plans). In connection with certain exercises, the Company received 62,199 shares into treasury as consideration for exercise prices and income tax withholding payments aggregating $826,303.

During the year ended December 31, 2004, the Company s Board of Directors again increased the July 2001 repurchase program authorization by an additional 500,000 shares to a total authorization of 2,400,000 shares, and purchased 361,963 shares under this expanded authorization at an aggregate purchase price of $3,650,837. The Company also issued an aggregate of 90,750 shares in 2004 under the Option Plans. In connection with certain exercises, the Company received 906 shares into treasury as consideration for exercise prices and income tax withholding payments aggregating $8,063.

As a result of the foregoing activity, at December 31, 2004 and 2003, the Company had outstanding 6,866,604 and 7,138,723 shares of common stock, respectively, and held 6,018,772 and 5,655,903 shares of common stock in treasury, respectively.

At December 31, 2004, the Company had 2,299,688 shares of common stock reserved for issuance upon exercise of options pursuant to the Option Plans.

NOTE 18 STOCK OPTION AND WARRANT PLANS:

Stock Options:

The Company s 1996 Stock Option Plan, as amended, provides for the granting of stock options to directors, executive officers and key employees of the Company and its subsidiaries, generally as determined by the compensation committee of the Company s Board of Directors. Options to purchase a maximum of 1,800,000 shares of common stock are available under the 1996 Stock Option Plan. The Company s 2002 Stock Option Plan provides for incentive awards to directors, officers, employees and consultants of the Company and its subsidiaries, including the granting of stock options, stock appreciation rights, restricted stock and stock bonus awards as determined by the compensation committee of the Company s Board of Directors. A total of 1,500,000 shares were authorized for awards under the 2002 Stock Option Plan. Options under the Option Plans may be in the form of incentive stock options (ISOs) and non-qualified stock options. In the case of ISOs, the duration of the option may not exceed 10 years (five years for a 10% or more stockholder) and the exercise price must be at least equal to the fair market value of a share of common stock on the date of grant (110% of the fair market value for a 10% or more stockholder). Employee options granted to date vest and become exercisable in equal installments on each anniversary of the date of grant for periods of four or five years. Non-employee director grants granted to date vest in equal 50% installments on the dates that are six and twelve months following the date of grant. Upon a change in control of the Company, as defined in the Option Plans, all unvested options automatically vest. Under the Option Plans, unless otherwise determined by the compensation committee, options may only be exercised during the period of employment or service with the Company or the 30-day period thereafter (or, in the case of death, disability or retirement, the one-year period thereafter).

A summary of the Company s stock option activity follows:

	December 31, 2004		December 31, 2003		December 31, 2002	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding at beginning of year	1,547,938	$ 5.22	1,700,000	$ 3.14	1,470,750	$ 2.29
Granted	240,000	10.43	485,000	9.68	426,250	5.79
Exercised	(90,750)	3.61	(562,062)	2.52	(127,000)	2.12
Canceled	(105,000)	9.70	(75,000)	6.95	(70,000)	3.23
Outstanding at end of year	1,592,188	$ 5.80	1,547,938	$ 5.22	1,700,000	$ 3.14
Exercisable at end of year	972,813	$ 4.06	735,750	$ 2.74	1,030,625	$ 2.20
Weighted average fair value of options granted during the year	$ 5.51		$ 6.26		$ 4.47	

FIN-76

Table of Contents

At December 31, 2004 there were 741,250 options outstanding with exercise prices ranging from $2.00 to $3.00, 245,938 options outstanding with exercise prices ranging from $5.14 to $6.00 and 605,000 options outstanding with exercise prices ranging from $8.95 to $12.67. The weighted-average remaining contractual life of all options outstanding approximates 6.5 years.

During 2002, the Company issued 500,000 common stock purchase warrants to employees under a newly established warrant program to provide inducements and incentives in connection with the formation of a new leveraged finance department (the Leveraged Finance Warrants). The Leveraged Finance Warrants were issued at an exercise price of $5.875 with vesting at the rate of 50% on the second anniversary of the grant date and 25% on each of the third and fourth anniversaries. This warrant program also included the granting of up to an additional 500,000 common stock purchase warrants upon the achievement of specific performance goals, with the same vesting schedule and with exercise prices equal to the higher of book value per share or the fair market value per share of the Company s common stock at the time of grant. During 2003, 75,000 of the Leveraged Finance Warrants were cancelled and the remaining 425,000 were cancelled in 2004.

The Company has elected to continue to follow APB 25 in accounting for the Option Plans and the Leveraged Finance Warrants. Accordingly, the Company has not recognized any compensation cost associated with the Option Plans and the Leveraged Finance Warrants since the market prices of the underlying stock on the option and warrant grant dates were not greater than the exercise prices. As required by SFAS 123, however, the Company has disclosed below its estimated pro forma net income and earnings per share if compensation costs under the Option Plans and the Leveraged Finance Warrants had been recognized using the fair value method of SFAS 123. Because stock options under the Option Plans and the Leveraged Finance Warrants have characteristics significantly different from those of traded options and warrants and because changes in subjective assumptions can materially affect the fair value estimated, the Company used the Black-Scholes pricing model for grants in 2004, 2003 and 2002 with the following weighted average assumptions: expected volatility of 73%, 98% and 101%, respectively; risk-free interest rate of 3.5%, 3.1% and 4.5%, respectively; expected annual dividends of $.25, $.23 and $0; and an expected option life of five years. The pro forma expense for stock-based compensation during 2004 includes the impact of reversing the aggregate pro forma expense of $444,153 previously determined for prior periods for the 425,000 Leveraged Finance Warrants cancelled in 2004.

		For the Year Ended		
		December 31, 2004	**December 31, 2003**	**December 31, 2002**
Net income	As reported	$ 4,535,816	$ 16,314,792	$ 12,546,624
	Pro forma	4,145,486	15,358,744	11,733,262
Basic earnings per share	As reported	.64	2.33	1.72
	Pro forma	.59	2.20	1.61
Diluted earnings per share	As reported	.58	1.98	1.53
	Pro forma	.53	1.87	1.43

Table of Contents

NOTE 19 COMMITMENTS:

The Company is obligated under certain non-cancelable leases for office space and equipment and under telecommunication services contracts. Operating leases for office space contain escalation clauses for base rent, maintenance and real estate tax increases.

Future minimum rental commitments for operating leases that have initial or remaining terms in excess of one year approximate the following:

Year	
2005	$ 13,231,573
2006	8,432,691
2007	5,758,998
2008	5,630,021
2009	5,570,791
Thereafter (through 2018)	37,938,350
	$ 76,562,424

Rental expense amounted to approximately $6,027,000, $5,539,000 and $3,642,000 in 2004, 2003 and 2002, respectively.

NOTE 20 CONTINGENCIES:

Counterparty Risk and Guarantees:

The Company clears certain of its securities transactions with its institutional counterparties through clearing firms on a fully disclosed basis. Pursuant to the terms of the agreements between the Company and the clearing firms, the clearing firms may have the right to charge the Company for losses that result from a counterparty s failure to fulfill its contractual obligations. At December 31, 2004 and 2003, the Company has recorded no liabilities with respect to this risk. During 2004 and 2003, the Company made no payments to its clearing firms related to these rights.

The Company has the right to pursue collection or performance from counterparties who do not perform under their contractual obligations. The Company and its clearing firms have a policy of reviewing, on an ongoing basis, the credit standing of the Company s counterparties.

NTL When-issued Equity Trades:

On January 10, 2003, NTL Inc. (NTL) emerged from Chapter 11 bankruptcy under an amended plan of reorganization providing for the issuance of 50 million shares of common stock. MFI and other participants in the when-issued trading market for NTL shares, which began in September 2002 after confirmation of NTL s prior plan of reorganization that contemplated the issuance of 200 million shares, expected the settlement of their when-issued trades would be adjusted to reflect the equivalent of a one-for-four reverse stock split. A number of buyers of NTL when-issued shares, seizing upon a Nasdaq advisory issued on January 14, 2003 that Nasdaq would neither cancel nor adjust such trades, either have retained the full, unadjusted number of shares delivered to them as a result of certain automated settlement processes or are demanding compensation for the remaining unadjusted number of shares not delivered to them if settlement was made on an adjusted basis.

In February 2003, MFI filed a suit in the New York State Supreme Court (the Court), naming all of its counterparties to its NTL when-issued trades, in order to seek a uniform, adjusted settlement of these trades. Similar proceedings, some seeking settlement on an adjusted basis, others on an unadjusted basis, also were commenced by other parties to NTL when-issued trades against their counterparties, including MFI, both in the Court and before NASD.

Table of Contents

During 2003 MFI recorded a net loss of $5.1 million on the settlement of its NTL when-issued trades. This loss included the estimated damages payable if the above proceedings were to conclude that all of MFI s NTL when-issued trades, other than permanently adjusted settlements by mutual agreement, should have settled on an unadjusted basis, and was net of a partially offsetting $800,000 principal transaction gain recorded on NTL shares subsequently determined no longer to constitute a hedge against such an outcome.

In March 2004, the Court granted a summary judgment motion made by MFI and issued a decision stating that all NTL when-issued trades among the parties before the Court should be settled on an adjusted and uniform basis. In July 2004, based upon this decision, MFI obtained a judgment from the Court entitling MFI to collect a total of $3.6 million (inclusive of interest) from those counterparties that received and retained unadjusted deliveries of NTL shares from MFI. The judgment remains subject to collection, however, as both it and the underlying decision have been appealed by a number of MFI s counterparties.

Following the Court s favorable decision, MFI has been able to reach permanent, negotiated resolutions of its NTL when-issued trades with certain of its counterparties during 2004. These resolutions resulted in the dismissal of the sole proceeding before NASD (leaving the remaining disputes centralized in one forum the Court) and the reversal of $3.3 million of estimated damages payable recorded in 2003. This $3.3 million net loss reversal in 2004 is reflected on the statement of operations as gains on principal transactions.

Because of the pending appeals and their associated uncertainties, MFI only intends to record gains related to the $3.6 million judgment if and when permanent resolutions, whether by negotiation, completion of the appeals process or otherwise, are reached with counterparties.

General, administrative and other expenses include legal fees related to this matter during 2004 and 2003 of $290,000 and $700,000, respectively.

U.K. National Insurance:

The Company has unsettled demands from the Inland Revenue in the United Kingdom for the employer portion of National Insurance Contributions (NIC) related to certain employee bonuses paid during the period from August 1995 to February 2001 in the amount of approximately (pound)1.7 million (approximately $3.2 million at December 31, 2004), plus interest estimated at approximately (pound)642,000 through December 31, 2004 (approximately $1.2 million). The Company has formally challenged these demands as it believes the respective bonus payment methods used did not require NIC payments under existing legislation. At December 31, 2004, the Company had reserved approximately (pound)1.5 million (approximately $2.9 million) against these demands from the Inland Revenue for NIC related to employee bonuses paid. Based upon this level of reserves, management does not anticipate the ultimate outcome of this will have a material adverse effect on its consolidated financial condition or results of operations.

NOTE 21 NET CAPITAL REQUIREMENTS:

MFI, as a U.S. broker-dealer, is subject to the Uniform Net Capital Rule (rule 15c3-1) of the Securities and Exchange Commission (SEC), which requires the maintenance of minimum regulatory net capital. MFI has elected to use the alternative method, as permitted by the rule, which requires that MFI maintain minimum regulatory net capital, as defined, equal to the greater of $250,000 or 2% of aggregate debit items arising from customer transactions, as defined; or 4% of the funds required to be segregated pursuant to the Commodity Exchange Act and regulations thereunder. MFI s membership in the Government Securities Division of the Fixed Income Clearing Corporation (GSD-FICC) requires it to maintain minimum excess regulatory net capital of $10,000,000 and minimum net worth of $25 million. At December 31, 2004, MFI had regulatory net capital of $40.1 million, a regulatory net capital requirement of $250,000 and net worth of $56.0 million. Euro Brokers Ltd. (EBL), a U.K. brokerage subsidiary of the Company, is a Type D registered firm of the Financial Services Authority (FSA), required to maintain a financial resources requirement generally equal to six weeks average

Table of Contents

expenditures plus the amount of less liquid assets on hand. At December 31, 2004, EBL had financial resources in accordance with FSA s rules of (pound)4.6 million ($8.9 million) and a financial resources requirement of (pound)3.5 million ($6.7 million).

NOTE 22 SEGMENT REPORTING:

In accordance with Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information (SFAS 131), the Company is reporting certain information relating to its operating segments. For the purpose of this disclosure, operating revenues include commission income, principal transactions and information sales revenue. The Company has defined its operating segments based upon geographic location as such units are managed separately to reflect their unique market, employment and regulatory environments. The reportable segments, as defined by SFAS 131, consist of the United States, United Kingdom, Japan and Switzerland. United States amounts are principally derived from the Company s New York office, but include all U.S.-based operations. In the U.S. segment in 2003, net income reflects the $11.1 million pre-tax insurance gain on property destroyed in the September 11th attacks, and operating revenues and net income reflect the net loss of $5.1 million pre-tax recorded on the NTL when-issued trades (see Note 20). For 2004 operating revenues and net income reflect a partial reversal of the 2003 NTL pre-tax loss of $3.3 million. In the U.K. segment 2003 net income reflects the $3.0 million extraordinary gain realized on the February 2003 purchase of the minority interest in EBL and includes the results for EBL, for periods prior to the purchase, net of such minority interest (see Note 10). Japan amounts primarily reflect the non-equity earnings (loss) from contractual arrangement (Tokyo Venture). See Note 11 for additional disclosure of the revenues and expenses of the Tokyo Venture. Other geographic segments that do not meet the SFAS 131 materiality thresholds for reportable segments have been included in All Other.

Table of Contents

The accounting policies of the segments are the same as those described in Note 2.

	United States	United Kingdom	Japan	Switzerland	All Other	Total
2004						
Operating revenues	$ 106,607,925	$ 75,638,952	$	$ 4,278,841	$ 4,298,787	$ 190,824,505
Interest income	14,564,129	697,039		2,429	360	15,263,957
Interest expense on securities indebtedness	13,752,951					13,752,951
Other interest expense	541,459	50,959				592,418
Depreciation and amortization	2,256,217	738,921		23,568	63,733	3,082,439
Provision for income taxes	2,586,279	979,840		48,661	280,801	3,895,581
Non-equity loss from contractual arrangement			(1,553,166)			(1,553,166)
Net income (loss)	2,963,571	1,299,360	(1,553,166)	1,416,534	409,517	4,535,816
Assets	268,711,769	31,458,442	185,013	5,697,366	2,302,533	308,355,123
Capital expenditures	1,414,049	741,398		77,888	146,694	2,380,029
2003						
Operating revenues	$ 106,290,191	$ 70,358,981	$	$ 2,269,812	$ 3,992,674	$ 182,911,658
Interest income	5,895,773	555,351		833	346	6,452,303
Interest expense on securities indebtedness	4,117,319					4,117,319
Other interest expense	438,327	140,053				578,380
Depreciation and amortization	1,998,890	1,139,711		11,724	70,252	3,220,577
Provision for income taxes	6,778,509	2,728,526		17,071	225,176	9,749,282
Non-equity loss from contractual arrangement			(1,560,281)			(1,560,281)
Net income (loss)	9,963,568	6,898,667	(1,517,882)	706,826	263,613	16,314,792
Assets	1,649,597,122	33,182,725	179,899	3,370,315	1,771,417	1,688,101,478
Capital expenditures	8,816,779	843,213		26,819	55,433	9,742,244
2002						
Operating revenues	$ 101,096,048	$ 52,717,957	$	$ 1,076,945	$ 3,519,537	$ 158,410,487
Interest income	1,781,994	411,917	18	1,446	391	2,195,766
Interest expense on securities indebtedness	147,865					147,865
Other interest expense	144,372	55,334				199,706
Depreciation and amortization	1,413,595	905,006		8,635	78,598	2,405,834
Provision for income taxes	10,432,832	1,549,168		13,553	135,205	12,130,758
Non-equity loss from contractual arrangement			(1,184,233)			(1,184,233)
Net income (loss)	12,368,617	1,064,250	(1,287,064)	226,240	174,581	12,546,624
Assets	111,571,666	28,297,516	196,825	1,417,682	1,363,614	142,847,303
Capital expenditures	6,839,528	664,444		8,897	98,647	7,611,516

Table of Contents

Included below are reconciliations of reportable segment items to the Company s consolidated totals as reported in the consolidated financial statements.

	2004	2003	2002
Interest income:			
Total for reportable segments	$ 15,263,597	$ 6,451,124	$ 2,193,929
Other interest	360	1,179	1,837
Elimination of intersegment interest income	(411,197)	(171,608)	(48,492)
Consolidated total	$ 14,852,760	$ 6,280,695	$ 2,147,274
Other interest expense:			
Total for reportable segments	$ 592,418	$ 578,380	$ 199,706
Elimination of intersegment interest expense	(411,197)	(171,608)	(48,492)
Consolidated total	$ 181,221	$ 406,772	$ 151,214
Assets:			
Total for reportable segments	$ 306,052,590	$ 1,686,330,061	$ 141,483,689
Other assets	2,302,533	1,771,417	1,363,614
Elimination of intersegment receivables	(13,840,061)	(11,878,858)	(6,273,360)
Elimination of investments in other segments	(13,095,984)	(13,095,984)	(13,095,984)
Consolidated total	$ 281,419,078	$ 1,663,126,636	$ 123,477,959

NOTE 23 SELECTED QUARTERLY FINANCIAL DATA (Unaudited):

The following table reflects the unaudited quarterly results of operations of the Company for 2004 and 2003.

	For the Three Months Ended			
	March 31	June 30	September 30	December 31
2004				
Net revenues	$ 51,406,884	$ 48,477,378	$ 45,476,213	$ 45,016,755
Costs and expenses	46,474,882	46,668,518	44,272,623	44,529,810
Income before provision for income taxes	4,932,002	1,808,860	1,203,590	486,945
Net income	2,605,440	1,006,316	523,082	400,978
Weighted average common shares outstanding basic	7,153,981	7,113,784	6,993,230	6,947,668
Weighted average common shares outstanding diluted	8,082,514	7,876,356	7,660,510	7,586,803
Basic earnings per share	$ .36	$ .14	$ .07	$ .07
Diluted earnings per share	.32	.13	.07	.06
2003				
Net revenues	$ 37,342,741	$ 52,214,646	$ 57,535,450	$ 47,656,352
Costs and expenses	39,422,765	44,489,548	42,942,881	44,611,483
(Loss) income before provision for income taxes, minority interest and extraordinary item	(2,080,024)	7,725,098	14,592,569	3,044,869
(Loss) income before extraordinary item	(1,176,090)	4,544,074	8,448,306	1,540,955
Extraordinary gain on purchase of minority interest	2,957,547			
Net income	1,781,457	4,544,074	8,448,306	1,540,955
Weighted average common shares outstanding basic	7,130,991	6,875,169	6,889,677	7,055,723
Weighted average common shares outstanding diluted	7,130,991	8,046,794	8,154,004	8,214,608
Basic (loss) earnings per share:				

(Loss) income before extraordinary item	$ (.16)	$ .66	$ 1.23	$ .22
Extraordinary gain on purchase of minority interest	.41			
Net income	.25	.66	1.23	.22
Diluted (loss) earnings per share:				
(Loss) income before extraordinary item	(.16)	.56	1.04	.19
Extraordinary gain on purchase of minority interest	.41			
Net income	.25	.56	1.04	.19

Table of Contents

NOTE 24 SUBSEQUENT EVENT

On March 4, 2005, the Company announced that it was holding preliminary business combination discussions with a potential acquirer. As of March 30, 2005, the parties had made substantial progress towards a transaction. However, there are still issues remaining to be resolved and, accordingly, there can be no assurance as to whether the Company will be successful in reaching agreement on or completing a transaction.

Table of Contents

MAXCOR FINANCIAL GROUP INC.

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2005

(Unaudited)

INDEX

Table of Contents

MAXCOR FINANCIAL GROUP INC.

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Unaudited)

	March 31, 2005	December 31, 2004
ASSETS		
Cash and cash equivalents	$ 35,802,869	$ 52,075,105
Securities purchased under agreements to resell	8,497,559	123,649,872
Deposits with clearing organizations	6,318,053	8,315,307
Receivable from broker-dealers, customers and clearing organizations	28,901,583	24,024,898
Securities failed-to-deliver	10,885,734	31,441,349
Securities owned, held at clearing firm	22,133,384	22,229,002
Prepaid expenses and other assets	9,070,783	6,685,303
Deferred tax asset	596,224	826,020
Fixed assets	11,689,174	12,172,222
Total assets	$ 133,895,363	$ 281,419,078
LIABILITIES AND STOCKHOLDERS EQUITY		
Liabilities:		
Securities sold under agreements to repurchase	$	$ 123,608,555
Payable to broker-dealer	8,628,430	11,578,831
Securities failed-to-receive	19,356,358	31,433,246
Securities sold, not yet purchased	4,182	36,255
Accounts payable and accrued liabilities	18,599,650	18,568,916
Accrued compensation payable	17,534,869	27,007,632
Income taxes payable	1,242,983	178,107
Deferred tax liability	3,391,425	3,650,414
Obligations under capitalized leases	190,809	210,636
Revolving credit facility	5,000,000	5,000,000
Total liabilities	73,948,706	221,272,592
Commitments and contingencies		
Stockholders equity:		
Preferred stock, $.001 par value, 1,000,000 shares authorized; none issued at March 31, 2005 and December 31, 2004 Common stock, $.001 par value, 30,000,000 shares authorized; 12,885,376 shares issued at March 31, 2005 and December 31, 2004	12,885	12,885
Additional paid-in capital	39,279,303	39,279,303
Treasury stock at cost; 6,073,144 and 6,018,772 shares of common stock held at March 31, 2005 and December 31, 2004, respectively	(20,917,083)	(20,430,471)
Retained earnings	39,440,426	38,953,787
Accumulated other comprehensive income:		
Foreign currency translation adjustments	2,131,126	2,330,982
Total stockholders equity	59,946,657	60,146,486
Total liabilities and stockholders equity	$ 133,895,363	$ 281,419,078

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

MAXCOR FINANCIAL GROUP INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	For the Three Months Ended March 31, 2005	March 31, 2004
Revenues:		
Commission income	$ 48,508,433	$ 48,050,301
Principal transactions, net	459,372	3,500,510
Interest income	1,270,933	1,926,968
Other	(544,540)	(375,616)
Gross revenues	49,694,198	53,102,163
Interest expense on securities indebtedness	958,199	1,695,279
Net revenues	48,735,999	51,406,884
Costs and expenses:		
Compensation and related costs	34,492,877	33,975,005
Communication costs	3,793,173	3,373,424
Travel and entertainment	2,525,740	2,774,983
Occupancy and equipment rental	1,862,145	2,571,920
Clearing and execution fees	973,566	1,012,354
Depreciation and amortization	850,847	809,143
Other interest expense	32,561	53,249
General, administrative and other expenses	2,341,318	1,904,804
	46,872,227	46,474,882
Income before provision for income taxes	1,863,772	4,932,002
Provision for income taxes	951,369	2,326,562
Net income	$ 912,403	$ 2,605,440
Basic earnings per share	$ .13	$ .36
Diluted earnings per share	$ .12	$ .32
Cash dividends per share of common stock	$ .0625	$ .0625

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

MAXCOR FINANCIAL GROUP INC.

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS EQUITY

FOR THE PERIODS ENDED DECEMBER 31, 2004 AND MARCH 31, 2005

(Unaudited)

	Comprehensive Income	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Income	Total
Balance at December 31, 2003		$ 12,795	$ 38,718,445	$ (16,771,571)	$ 36,178,583	$ 1,906,250	$ 60,044,502
Comprehensive income							
Net income for the year ended December 31, 2004	$ 4,535,816				4,535,816		4,535,816
Foreign currency translation adjustment (inclusive of income tax benefit of $193,856)	424,732					424,732	424,732
Comprehensive income	$ 4,960,548						
Exercise of stock options, including tax benefit of $ 233,131 (89,844 shares, net)		90	560,858	(8,063)			552,885
Acquisition of treasury stock (361,963 shares)				(3,650,837)			(3,650,837)
Common stock dividends					(1,760,612)		(1,760,612)
Balance at December 31, 2004		12,885	39,279,303	(20,430,471)	38,953,787	2,330,982	60,146,486
Comprehensive income							
Net income for the three months ended March 31, 2005	$ 912,403				912,403		912,403
Foreign currency translation adjustment (net of income tax benefit of $ 54,968)	(199,856)					(199,856)	(199,856)
Comprehensive income	$ 712,547						
Acquisition of treasury stock (54,372 shares)				(486,612)			(486,612)
Common stock dividends					(425,764)		(425,764)
Balance at March 31, 2005		$ 12,885	$ 39,279,303	$ (20,917,083)	$ 39,440,426	$ 2,131,126	$ 59,946,657

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

MAXCOR FINANCIAL GROUP INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	For the Three Months Ended	
	March 31, 2005	**March 31, 2004**
Cash flows from operating activities:		
Net income	$ 912,403	$ 2,605,440
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization	850,847	809,143
Provision for doubtful accounts	3,423	11,064
Gain on disposal of fixed assets		(37,267)
Unfunded losses of contractual arrangements	527,197	318,561
Deferred income taxes	(35,139)	(158,090)
Income tax benefit on stock options exercised		63,619
Change in assets and liabilities:		
Decrease in securities purchased under agreements to resell	115,152,313	1,095,000,816
Decrease (increase) in deposits with clearing organizations	1,997,254	(2,474,166)
Increase in receivable from broker-dealers, customers and clearing organizations	(5,048,023)	(14,851,496)
Decrease in securities failed-to-deliver	20,555,615	8,234,863
Decrease (increase) in securities owned, held at clearing firm	79,947	(35,654,326)
(Increase) decrease in prepaid expenses and other assets	(2,441,522)	599,668
Decrease in securities sold under agreements to repurchase	(123,608,555)	(1,128,125,472)
(Decrease) increase in payable to broker-dealers and customers	(2,950,401)	6,270,471
(Decrease) increase in securities failed-to-receive	(12,076,888)	10,834,530
(Decrease) increase in securities sold, not yet purchased	(32,073)	47,351,642
Decrease in accounts payable and accrued liabilities	(287,503)	(1,614,896)
Decrease in accrued compensation payable	(9,278,349)	(10,915,804)
Increase in income taxes payable	1,067,216	827,963
Net cash used in operating activities	(14,612,238)	(20,903,737)
Cash flows from investing activities:		
Purchase of fixed assets	(397,179	(866,567)
Proceeds from the sale of fixed assets		220,593
Net cash used in investing activities	(397,179	(645,974)
Cash flows from financing activities:		
Proceeds from exercise of options		190,711
Repayments under revolving credit facility, net		(2,500,000)
Repayment of obligations under capitalized leases	(16,809)	(29,510)
Common stock dividends	(425,764)	(447,389)
Acquisition of treasury stock	(486,612)	(281,250)
Net cash used in financing activities	(929,185)	(3,067,438)
Effect of exchange rate changes on cash	(333,634)	406,374
Net decrease in cash and cash equivalents	(16,272,236)	(24,210,775)
Cash and cash equivalents at beginning of period	52,075,105	67,170,247

Cash and cash equivalents at end of period	$ 35,802,869	$ 42,959,472
Supplemental disclosures of cash flow information:		
Interest paid	$ 1,547,365	$ 1,667,619
Income taxes paid	409,031	990,612

The accompanying notes are an integral part of these consolidated financial statements.

Table of Contents

MAXCOR FINANCIAL GROUP INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 ORGANIZATION AND BASIS OF PRESENTATION:

Maxcor Financial Group Inc. (MFGI) is a publicly-held financial services holding company that was incorporated in Delaware in 1994. In August 1996, MFGI acquired Euro Brokers Investment Corporation (EBIC), a privately held international and domestic inter-dealer broker.

EBIC, incorporated in December 1986 in connection with a management buyout of predecessor operations dating to 1970, through its subsidiaries and businesses is primarily an inter-dealer broker of money market instruments, derivative products and selected securities, with principal offices in New York, London and Tokyo, other offices in Stamford (CT), Switzerland and Mexico, as well as correspondent relationships with other brokers throughout the world. Maxcor Financial Inc. (MFI), a U.S. registered broker-dealer subsidiary, also conducts institutional sales and trading operations in various fixed income and equity securities.

The consolidated financial statements include the accounts of MFGI and its majority-owned subsidiaries and other entities over which it exercises control (collectively, the Company). All significant intercompany balances and transactions have been eliminated.

The accompanying unaudited consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair statement have been included. Certain reclassifications have been made to previously reported balances to conform with the current presentation. Operating results for the interim period ended March 31, 2005 are not necessarily indicative of the results that may be expected for the year ended December 31, 2005. For further information, refer to the audited consolidated financial statements of the Company included in the Company s Annual Report on Form 10-K for the year ended December 31, 2004 (2004 Form 10-K).

NOTE 2 EARNINGS PER SHARE:

The following is a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations for the three month periods respectively ended March 31, 2005 and March 31, 2004:

	Three Months Ended	
	March 31, 2005	**March 31, 2004**
Net income	$ 912,403	$ 2,605,440
Weighted average common shares outstanding basiccalculations	6,823,760	7,153,981
Dilutive effect of stock options and warrants	686,961	928,533
Weighted average common shares outstanding dilutedcalculations	7,510,721	8,082,514
Basic earnings per share	$ .13	$ .36
Diluted earnings per share	$ .12	$ .32
Antidilutive common stock equivalents:		
Options	220,000	

Table of Contents

NOTE 3 SIGNED MERGER AGREEMENT:

In April 2005, the Company entered into a definitive merger agreement with BGC Partners, L.P. (BGC Partners) and Magnet Acquisition Corp., a wholly-owned subsidiary of BGC Partners, pursuant to which Magnet Acquisition Corp. will merge with and into MFGI following satisfaction or waiver of the conditions to closing set forth in the merger agreement. These conditions include adoption of the merger agreement by a vote of the holders of a majority of the Company s outstanding shares of common stock at a special meeting of stockholders, which has been scheduled for May 18, 2005, and the receipt of certain regulatory approvals.

Following completion of the merger, MFGI will become a wholly-owned subsidiary of BGC Partners, and the Company s common stock will no longer be quoted on The Nasdaq Stock Market and will no longer be publicly traded or held. BGC Partners is a subsidiary of Cantor Fitzgerald, L.P. and owns entities engaged in the inter-dealer brokering of various fixed income securities and derivatives.

Pursuant to the terms of the merger agreement, upon completion of the merger the Company s stockholders (other than dissenting stockholders who perfect their appraisal rights in accordance with Delaware law) will be entitled to receive $14.00 per share in cash, without interest, for each share of the Company s common stock owned by them. In addition, each holder of an outstanding option to acquire the Company s common stock, whether or not exercisable, will be entitled to receive a cash amount (net of applicable withholdings) equal to the excess of $14.00 over the per share exercise price of the option, multiplied by the number of remaining unexercised shares that are subject to the option.

NOTE 4 STOCKHOLDERS EQUITY:

Preferred stock:

Pursuant to the Company s adoption of a shareholder rights plan (the Plan) in December 1996, the Company authorized the creation of Series A Junior Participating Preferred Stock and reserved 300,000 shares thereof for issuance upon exercise of the rights that, pursuant to the Plan, were at the time dividended to holders of common stock. In April 2005, the Plan was amended to exclude BGC Partners as an Acquiring Person (as defined).

Common stock, options and warrants:

At December 31, 2004, the Company had 6,866,604 shares of common stock outstanding and held 6,018,772 shares in treasury.

During the three months ended March 31, 2005, the Company repurchased 54,372 shares under its existing share repurchase program for an aggregate purchase price of $486,612. This program was authorized by the Board of Directors in July 2001 and was expanded in each of September 2001, April 2003 and July 2004.

As a result of these activities, at March 31, 2005, the Company had 6,812,232 shares of common stock outstanding and held 6,073,144 shares in treasury.

The Company has elected to continue to follow Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees, in accounting for its option and warrant plans. Accordingly, the Company has not recognized any compensation cost associated with these instruments since the market prices of the underlying stock on the option and warrant grant dates were not greater than the option exercise prices. As required by Statement of Financial Accounting Standards No. 148, Accounting for Stock-Based Compensation-Transition and Disclosure-an Amendment of FASB Statement No. 123, the Company has disclosed below its estimated pro forma net income and earnings per share if compensation for awards issued under its option and warrant plans had been recognized using the fair value method of Statement of Financial Accounting Standards No. 123, Accounting for Stock-Based Compensation, with such fair value estimated using the Black-Scholes option

Table of Contents

pricing model. The pro forma benefit for stock-based compensation during the three months ended March 31, 2004 includes the reversal of the aggregate pro forma expense of $444,153 previously determined for prior periods for cancelled warrants that were issued to employees under a warrant program to provide inducements and incentives in connection with the formation of a leveraged finance department.

	Three Months Ended	
	March 31, 2005	March 31, 2004
Net income, as reported	$ 912,403	$ 2,605,440
Total stock-based compensation (expense)		
Benefit determined under fair value based method for all awards, net of related tax effects	(174,727)	212,516
Pro forma net income	$ 737,676	$ 2,817,956

	Three Months Ended	
	March 31, 2005	March 31, 2004
Earnings per share:		
Basic, as reported	$ .13	$ .36
Basic, pro forma	$ .11	$ .39
Diluted, as reported	$ .12	$ .32
Diluted, pro forma	$ .10	$ .35

Dividends:

On March 15, 2005, the Company paid a quarterly common stock dividend of $.0625 per share to holders of record on February 25, 2005. Based upon 6,812,232 shares outstanding on February 25, 2005, this payment totaled $425,764.

NOTE 5 NTL WHEN-ISSUED EQUITY TRADES:

On January 10, 2003, NTL Inc. (NTL) emerged from Chapter 11 bankruptcy under an amended plan of reorganization providing for the issuance of 50 million shares of common stock. MFI and other participants in the when-issued trading market for NTL shares, which began in September 2002 after confirmation of NTL s prior plan of reorganization that contemplated the issuance of 200 million shares, expected the settlement of their when-issued trades would be adjusted to reflect the equivalent of a one-for-four reverse stock split. A number of buyers of NTL when-issued shares, seizing upon a Nasdaq advisory issued on January 14, 2003 that Nasdaq would neither cancel nor adjust such trades, either have retained the full, unadjusted number of shares delivered to them as a result of certain automated settlement processes or are demanding compensation for the remaining unadjusted number of shares not delivered to them if settlement was made on an adjusted basis.

In February 2003, MFI filed a suit in the New York State Supreme Court (the Court), naming all of its counterparties to its NTL when-issued trades, in order to seek a uniform, adjusted settlement of these trades. Similar proceedings, some seeking settlement on an adjusted basis, others on an unadjusted basis, also were commenced by other parties to NTL when-issued trades against their counterparties, including MFI, both in the Court and before NASD.

During 2003 MFI recorded a net loss of $5.1 million on the settlement of its NTL when-issued trades. This loss included the estimated damages payable if the above proceedings were to conclude that all of MFI s NTL when-issued trades, other than permanently adjusted settlements by mutual agreement, should have settled on an unadjusted basis, and was net of a partially offsetting $800,000 principal transaction gain recorded on NTL shares subsequently determined no longer to constitute a hedge against such an outcome.

Table of Contents

In March 2004, the Court granted a summary judgment motion made by MFI and issued a decision stating that all NTL when-issued trades among the parties before the Court should be settled on an adjusted and uniform basis. In July 2004, based upon this decision, MFI obtained a judgment from the Court entitling MFI to collect a total of $3.6 million (inclusive of interest through the date of the judgment) from those counterparties that received and retained unadjusted deliveries of NTL shares from MFI. However, both the judgment and the underlying decision have been appealed by a number of MFI s counterparties. As a result, the judgment remains subject to collection (although it continues to accrue interest). MFI therefore only intends to record gains related to the judgment if and when permanent resolutions, whether by negotiation, completion of the appeals process or otherwise, are reached with the relevant judgment debtor counterparties.

Following the Court s favorable decision, MFI has been able to reach permanent, negotiated resolutions of its NTL when-issued trades with certain of its counterparties. Included as a gain in principal transactions for the three months ended March 31, 2004, is a reversal of $625,000 of the estimated damages payable previously recorded by MFI in 2003. This reversal was the result of a settlement with MFI s one NTL counterparty who had brought a claim before NASD. MFI subsequently has reached permanent settlements with additional counterparties, resulting in the reversal during the balance of 2004 of an additional $2.7 million of the estimated damages payable. Because of these settlements, MFI no longer has any remaining estimated damages payable balance and, instead, were the pending appeals to conclude that all NTL when-issued trades should have settled on an unadjusted basis (the opposite of what the judgment provides and what MFI has contended), MFI would expect to be able to collect an estimated net amount of approximately $900,000 (not including interest) from counterparties with whom it settled on an adjusted basis. This result, however, would presumably be mutually exclusive with collection of the $3.6 million judgment (and vice versa).

General, administrative and other expenses for the three months ended March 31, 2005 and March 31, 2004 include legal fees related to the NTL when-issued trade disputes of $16,000 and $118,000, respectively.

NOTE 6 TOKYO BASED VENTURE:

Since 1994, the Company has held an interest in a Tokyo-based derivatives brokering venture (the Tokyo Venture) structured under Japanese law as a Tokumei Kumiai (TK). A TK is a contractual arrangement in which an investor invests in a business of a TK operator by making a capital contribution to the TK operator and, in return, becomes entitled to a specified percentage of the profits of the business while also becoming obligated to fund a specified percentage of the losses of the business. The Company has a 57.25% interest in the Tokyo Venture, with Nittan Capital Group Limited (Nittan), the TK operator, holding a 42.75% interest. Although the operations of the Tokyo Venture have always been run and managed by persons appointed by the Company, it does not operate in a legal entity separately distinguishable from Nittan, and accordingly, the Company accounts for its share of the results of operations of the Tokyo Venture in other income as non-equity income or loss from contractual arrangement.

Summarized operating results of the Tokyo Venture for the three month periods ended March 31, 2005 and March 31, 2004, along with the Company s share of those results, are presented below:

	Three Months Ended	
	March 31, 2005	March 31, 2004
Revenues	$ 1,555,831	$ 1,074,965
Expenses	2,476,699	1,631,404
Loss	$ (920,868)	$ (556,439)
Company s share	$ (527,197)	$ (318,561)

Table of Contents

NOTE 7 NET CAPITAL REQUIREMENTS:

MFI, as a U.S. broker-dealer, is subject to the Uniform Net Capital Rule (rule 15c3-1) of the Securities and Exchange Commission (SEC), which requires the maintenance of minimum regulatory net capital. MFI has elected to use the alternative method, as permitted by the rule, which requires that MFI maintain minimum regulatory net capital, as defined, equal to the greater of $250,000 or 2% of aggregate debit items arising from customer transactions, as defined; or 4% of the funds required to be segregated pursuant to the Commodity Exchange Act and regulations thereunder. MFI s membership in the Government Securities Division of the Fixed Income Clearing Corporation (GSD-FICC) requires it to maintain minimum excess regulatory net capital of $10 million and minimum net worth of $25 million. At March 31, 2005, MFI had regulatory net capital of $32.5 million, a regulatory net capital requirement of $250,000 and net worth of $55.7 million. Euro Brokers Ltd. (EBL), a U.K. brokerage subsidiary of the Company, is a Type D registered firm of the Financial Services Authority (FSA), required to maintain a financial resources requirement generally equal to six weeks average expenditures plus the amount of less liquid assets on hand. At March 31, 2005, EBL had financial resources in accordance with FSA s rules of (pound) 5.0 million ($9.4 million) and a financial resources requirement of (pound) 3.8 million ($7.1 million).

NOTE 8 SEGMENT REPORTING:

In accordance with the requirements for interim period reporting under Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information (SFAS 131), the Company is reporting the operating revenues (commission income and principal transactions) and net income (loss) attributable to its operating segments. The Company has defined its operating segments based upon geographic location. Although all segments are engaged in the brokerage business, they are managed separately to reflect their unique market, employment and regulatory environments. The reportable segments for the three-month periods respectively ended March 31, 2005 and March 31, 2004 as defined by SFAS 131 consist of the United States, United Kingdom, Japan and Switzerland. United States amounts are principally derived from the Company s New York office, but include all U.S. based operations. Japan amounts primarily reflect the non-equity losses from contractual arrangement (Tokyo Venture). See Note 6 for additional disclosure of the revenues and expenses of the Tokyo Venture. Other geographic segments which did not meet the SFAS 131 materiality thresholds for the year ended December 31, 2004 and which are not expected to meet these thresholds for the year ended December 31, 2005 have been included in All Other.

	United States	United Kingdom	Japan	Switzerland	All Other	Total
Three months ended March 31, 2005						
Operating revenues	$ 25,527,575	$ 21,708,658	$	$ 794,432	$ 937,140	$ 48,967,805
Net income (loss)	89,167	934,310	(527,197)	238,388	177,735	912,403
Assets	122,079,935	29,521,124	179,975	5,258,743	1,900,115	158,939,892
Three months ended March 31, 2004						
Operating revenues	$ 27,790,960	$ 21,242,184	$	$ 1,392,256	$ 1,125,411	$ 51,550,811
Net income (loss)	1,469,343	755,534	(318,560)	552,118	147,005	2,605,440
Assets	575,318,487	31,565,404	183,190	4,639,756	1,932,347	613,639,184

Table of Contents

Included below are reconciliations of reportable segment assets to the Company s consolidated totals as reported in the Consolidated Statements of Financial Condition in this report and in the Company s Form 10-Q for the quarterly period ended March 31, 2004.

	As of March 31,	
	2005	2004
Total for reportable segments	$ 157,039,777	$ 611,706,837
Other assets	1,900,115	1,932,347
Elimination of intersegment receivables	(11,948,545)	(12,499,659)
Elimination of investments in other segments	(13,095,984)	(13,095,984)
	$ 133,895,363	$ 588,043,541

References in this report to we, us and our mean Maxcor Financial Group Inc. and its subsidiaries and other businesses, unless the context requires otherwise.

Table of Contents

EXECUTION COPY

Annex A

AGREEMENT AND PLAN OF MERGER

by and among

BGC PARTNERS, INC.,

CANTOR FITZGERALD, L.P.,

ESPEED, INC.,

BGC PARTNERS, L.P.,

BGC GLOBAL HOLDINGS, L.P.,

and

BGC HOLDINGS, L.P.

Dated as of May 29, 2007

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

Table of Contents

AGREEMENT AND PLAN OF MERGER

This AGREEMENT AND PLAN OF MERGER, dated as of May 29, 2007 (this *Agreement*), is by and among BGC Partners, Inc., a Delaware corporation (*BGC Partners*), Cantor Fitzgerald, L.P., a Delaware limited partnership (*Cantor*), eSpeed, Inc., a Delaware corporation (*eSpeed*), BGC Partners, L.P., a Delaware limited partnership (*U.S. Opco*), BGC Global Holdings, L.P., a Cayman Islands exempted limited partnership (*Global Opco*) and BGC Holdings, L.P., a Delaware limited partnership (*Holdings* and together with BGC Partners, Cantor, eSpeed, U.S. Opco and Global Opco, the *Parties* and each, a *Party*).

W I T N E S S E T H:

WHEREAS, the Board of Directors of eSpeed, upon the recommendation of the eSpeed Special Committee, and the Board of Directors of BGC Partners have each determined that it is in the best interests of their respective companies and stockholders to consummate a strategic business combination transaction between eSpeed and BGC Partners, on the terms and conditions set forth in this Agreement, pursuant to which, among other things, BGC Partners and eSpeed shall engage in the Merger;

WHEREAS, the Board of Directors of eSpeed, upon recommendation of the eSpeed Special Committee, and the Board of Directors of BGC Partners have (i) approved this Agreement and the transactions contemplated by this Agreement, including the Merger, and (ii) determined that the Merger and the other transactions contemplated by this Agreement are fair to, advisable and in the best interests of eSpeed and BGC Partners, respectively, and their respective stockholders, and (iii) in the case of the Board of Directors of eSpeed, resolved to recommend that the holders of shares of eSpeed Common Stock adopt this Agreement in accordance with Section 251 of the DGCL;

WHEREAS, Cantor, as the sole stockholder of BGC Partners, has approved this Agreement and the transactions contemplated by this Agreement, including the Merger;

WHEREAS, it is intended that the Merger will qualify as an exchange described in Section 351(a) of the Internal Revenue Code of 1986, as amended (the *Code*); and

WHEREAS, the Parties desire to make certain representations, warranties and agreements in connection with the Merger and also to prescribe certain conditions to the Merger, in each case as set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, representations, warranties and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties agree as follows:

ARTICLE I

DEFINITIONS

1.1 *Definitions*. As used in this Agreement the following terms have the meanings indicated:

Acquired Entities has the meaning set forth in *Section 4.15(c)* of this Agreement.

Action means any action, claim, suit, litigation, proceeding (including arbitral) or investigation.

Adjusted Closing Balance Sheet has the meaning set forth in *Section 2.8(b)* of this Agreement.

Table of Contents

Adjusted Closing Cash has the meaning set forth in *Section 2.8(b)* of this Agreement.

Adjusted Closing Indebtedness has the meaning set forth in *Section 2.8(b)* of this Agreement.

Adjusted Closing Net Equity has the meaning set forth in *Section 2.8(b)* of this Agreement.

Administrative Services Agreements means, collectively the Administrative Services Agreements attached to the Separation Agreement substantially in the forms of Exhibits A and G.

Affiliate means, with respect to any Person, any other Person that directly, or through one or more intermediaries, controls or is controlled by or is under common control with such Person.

Agreement means this Agreement as the same may be amended, supplemented or modified in accordance with the terms hereof.

Allocable Losses has the meaning set forth in *Section 10.2(b)* of this Agreement.

Ancillary Agreements has the meaning set forth in the Separation Agreement.

Applicable Law means any Law applicable to any of the Parties or any of their respective Affiliates, directors, officers, employees, properties or Assets.

Antitrust Laws means the HSR Act, the Sherman Act, as amended, the Clayton Act, as amended, the Federal Trade Commission Act, as amended, and any other United States federal or state or foreign statutes, rules, regulations, orders, decrees, administrative or judicial doctrines or other Laws that are designed to prohibit, restrict or regulate actions having the purpose or effect of monopolization or restraint of trade.

Asset means any asset, property, right, Contract and claim, whether real, personal or mixed, tangible or intangible, of any kind, nature and description, whether accrued, contingent or otherwise, and wheresoever situated and whether or not carried or reflected, or required to be carried or reflected, on the books of any Person.

Balance Sheet has the meaning set forth in *Section 4.8* of this Agreement.

BGC Business means the Transferred Businesses as defined in the Separation Agreement.

BGC Division means the BGC Division of Cantor.

BGC Equity Interests has the meaning set forth in *Section 4.7(b)* of this Agreement.

BGC Material Adverse Effect means any change, effect, event, occurrence, state of facts or development that has a material adverse effect on the business, financial condition or results of operations of BGC Partners and its Subsidiaries, taken as a whole; *provided*, *however*, that in no event shall any the following be deemed, either alone or in combination, to constitute, and nor shall any of the following be taken into account in determining whether there has been or will be, a BGC Material Adverse Effect: (a) changes in general economic or political conditions (including any outbreak or escalation of hostilities or war or any act of terrorism) or changes in the securities, credit or financial markets in general; (b) changes adversely and generally affecting the industry in which BGC Partners and its Subsidiaries operates, (c) any failure, in and of itself, by BGC Partners and its Subsidiaries to meet any internal or published projections, forecasts or revenue or earnings predictions for any period ending on or after the date of this Agreement (it being understood that the facts or occurrences giving rise to or contributing to such failure may be deemed to constitute, or be taken into account in determining whether there has been or will be, a BGC Material Adverse Effect), (d) changes in laws, statutes, rules or regulations of Governmental Entities applicable to BGC Partners and its Subsidiaries or any of their respective

Table of Contents

properties or Assets, or in applicable accounting regulations or principles or interpretations thereof, or (e) changes resulting from consummation of the transactions contemplated by this Agreement, the Separation Agreement or the Transaction Documents, in each case in accordance with the terms thereof, or resulting from any action or omission required pursuant to the terms of this Agreement or pursuant to the written request of eSpeed, except in the case of the foregoing clause (a) or (b), to the extent such change has a materially disproportionate impact on BGC Partners and its Subsidiaries, taken as a whole, relative to other for-profit participants in the industry in which BGC Partners and its Subsidiaries conduct their businesses after taking into account the collective size of BGC Partners and its Subsidiaries relative to such other for-profit participants.

BGC Partners has the meaning set forth in the preamble to this Agreement.

BGC Partners Common Stock means, collectively, BGC Partners Class A Common Stock, BGC Partners Class B Common Stock and the BGC Partners Class C Common Stock.

BGC Partners Class A Common Stock means the class A common stock, par value $0.01 per share, of BGC Partners.

BGC Partners Class B Common Stock means the class B common stock, par value $0.01 per share, of BGC Partners.

BGC Partners Class C Common Stock means the class C common stock, par value $0.01 per share, of BGC Partners.

BGC Partners Class A Units means the limited liability company interests in BGC Partners, following the Conversion, designated as Class A Units in the New Limited Liability Company Agreement.

BGC Partners Class B Units means the limited liability company interests in BGC Partners, following the Conversion, designated as Class B Units in the New Limited Liability Company Agreement.

BGC Partners Class C Unit means the limited liability company interest in BGC Partners, following the Conversion, designated as the Class C Unit in the New Limited Liability Company Agreement.

BGC Partners Disclosure Schedule means the disclosure schedules of BGC Partners and Cantor, dated as of the date of this Agreement, and delivered by Cantor to eSpeed prior to execution of this Agreement.

BGC Partners Plans has the meaning set forth in *Section 4.13(a)* of this Agreement.

BGC Partners Units means, collectively, the BGC Partners Class A Units, the BGC Partners Class B Units and the BGC Partners Class C Unit.

Board of Directors means the Board of Directors of BGC Partners, eSpeed or the Surviving Corporation, as the case may be.

Broker-Dealer Subsidiary has the meaning set forth in *Section 4.6(e)*.

Burdensome Condition has the meaning set forth in *Section 7.2(a)* of this Agreement.

Business Day means any day other than a Saturday, Sunday or other day on which commercial banks in the State of New York are authorized or required by Law or executive order to close.

Cantor has the meaning set forth in the preamble to this Agreement.

Table of Contents

Certificate of Merger has the meaning set forth in *Section 2.3* of this Agreement.

Claims has the meaning set forth in *Section 4.5* of this Agreement.

Closing has the meaning set forth in *Section 2.3* of this Agreement.

Closing Date has the meaning set forth in *Section 2.3* of this Agreement.

Closing Cash means the aggregate amount of cash, cash equivalents and marketable securities of BGC Partners and its Subsidiaries (including the Opcos and their Subsidiaries), but excluding Holdings and its Subsidiaries (other than Opcos and their Subsidiaries) as of the Closing Date (but prior to the Effective Time), calculated in accordance with U.S. GAAP.

Closing Indebtedness means the aggregate amount of Indebtedness of BGC Partners and its Subsidiaries (including the Opcos and their Subsidiaries), but excluding Holdings and its Subsidiaries (other than the Opcos and their Subsidiaries), as of the Closing Date (but prior to the Effective Time), calculated in accordance with U.S. GAAP.

Closing Net Equity means the net equity of BGC Partners and its Subsidiaries (including the Opcos and their Subsidiaries), but excluding Holdings and its Subsidiaries (other than the Opcos and their Subsidiaries), as of the Closing Date (but prior to the Effective Time), calculated in accordance with U.S. GAAP.

Code has the meaning set forth in the recitals to this Agreement.

Contract means any agreement, contract, obligation, promise or undertaking.

Contractual Obligation means, as to any Person, any provision of any security issued by or to such Person or of any agreement, undertaking, Contract, indenture, mortgage, real property lease, real property sublease, real property license, deed of trust or other instrument to which such Person is a Party or by which it or any of its property is bound.

Contribution has the meaning set forth in *Section 2.7* of this Agreement.

Conversion has the meaning set forth in *Section 2.1(a)* to this Agreement.

Copyrights means any foreign or U.S. copyright registrations and applications for registration thereof, and any non-registered copyrights.

Covered Information has the meaning set forth in *Section 11.10(a)* of this Agreement.

Customer Information has the meaning set forth in *Section 4.16* of this Agreement.

Deductible Amount has the meaning set forth in *Section 10.5(a)* of this Agreement.

DGCL means the Delaware General Corporation Law.

Dispute Notice has the meaning set forth in *Section 2.8(c)* of this Agreement.

DLLCA means the Delaware Limited Liability Company Act.

Effective Time has the meaning set forth in *Section 2.4* of this Agreement.

Table of Contents

Employee/Partner Contracts has the meaning set forth in *Section 4.9(a)* of this Agreement.

Environmental Laws means federal, state, local and foreign Laws, principles of common Laws, civil Laws, regulations, and codes, as well as orders, decrees, judgments or injunctions, issued, promulgated, approved or entered thereunder relating to pollution, protection of the environment or public health.

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

eSpeed has the meaning set forth in the preamble to this Agreement.

eSpeed Common Stock means, collectively, the eSpeed Class A Common Stock and the eSpeed Class B Common Stock.

eSpeed Class A Common Stock means the class A common stock, par value $0.01 per share, of eSpeed (and, after the Effective Time, the Surviving Corporation).

eSpeed Class B Common Stock means the class B common stock, par value $0.01 per share, of eSpeed (and, after the Effective Time, the Surviving Corporation).

eSpeed Disclosure Schedule means the schedules of eSpeed, dated as of the date of this Agreement, and delivered by eSpeed to Cantor prior to execution of this Agreement.

eSpeed Material Adverse Effect means any change, effect, event, occurrence, state of facts or development that has a material adverse effect on the business, financial condition or results of operations of eSpeed and its Subsidiaries taken as a whole; *provided*, *however*, that in no event shall any of the following be deemed, either alone or in combination, to constitute, and nor shall any of the following be taken into account in determining whether there has been or will be, an eSpeed Material Adverse Effect: (a) changes in general economic or political conditions (including any outbreak or escalation of hostilities or war or any act of terrorism) or changes in the securities, credit or financial markets in general; (b) changes adversely and generally affecting the industry in which eSpeed and its Subsidiaries operates, (c) any failure, in and of itself, by eSpeed and its Subsidiaries to meet any internal or published projections, forecasts or revenue or earnings predictions for any period ending on or after the date of this Agreement (it being understood that the facts or occurrences giving rise to or contributing to such failure may be deemed to constitute, or be taken into account in determining whether there has been or will be, an eSpeed Material Adverse Effect), (d) changes in laws, statutes, rules or regulations of governmental entities applicable to eSpeed and its Subsidiaries or any of their respective properties or Assets, or in applicable accounting regulations or principles or interpretations thereof, or (e) changes resulting from consummation of the transactions contemplated by this Agreement, the Separation Agreement or the Transaction Documents, in each case in accordance with the terms thereof, or resulting from any action or omission required pursuant to the terms of this Agreement or pursuant to the written request of BGC Partners, except in the case of the foregoing clause (a) or (b), to the extent such change has a materially disproportionate impact on eSpeed and its Subsidiaries, taken as a whole, relative to other for-profit participants in the industry in which eSpeed and its Subsidiaries conduct their businesses after taking into account the collective size of eSpeed and its Subsidiaries relative to such other for-profit participants.

eSpeed Special Committee means the special committee of the Board of Directors of eSpeed established to evaluate and make its recommendation to the stockholders of eSpeed (other than Cantor and its Affiliates) concerning this Agreement and the Merger.

eSpeed Stockholder Approval has the meaning set forth in *Section 5.2* of this Agreement.

eSpeed Stockholder Meeting has the meaning set forth in *Section 7.8(a)* of this Agreement.

Estimated Adjustment Amount has the meaning set forth in *Section 2.8(a)*.

Table of Contents

Estimated Closing Balance Sheet has the meaning set forth in *Section 2.8(a)*.

Estimated Closing Cash has the meaning set forth in *Section 2.8(a)*.

Estimated Closing Indebtedness has the meaning set forth in *Section 2.8(a)*.

Estimated Closing Net Equity has the meaning set forth in *Section 2.8(a)*.

Exchange Act means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

Existing Bylaws means the Bylaws of BGC Partners in effect on the date of this Agreement and attached as *Exhibit A*.

Existing Certificate of Incorporation means the Certificate of Incorporation of BGC Partners, as amended, in effect on the date of this Agreement and attached as *Exhibit B*.

Form S-1 means BGC Partners Registration Statement on Form S-1 filed with the SEC on February 8, 2007, as it may be amended prior to the date hereof.

Final Closing Balance Sheet has the meaning set forth in *Section 2.8(h)(i)*.

Final Closing Cash has the meaning set forth in *Section 2.8(h)(ii)*.

Final Closing Indebtedness has the meaning set forth in *Section 2.8(h)(ii)*.

Final Closing Net Equity has the meaning set forth in *Section 2.8(h)(iv)*.

Financial Statements has the meaning set forth in *Section 4.8*.

Global Opco has the meaning set forth in the preamble.

Global Opco General Partner Interest means the General Partnership Interest as defined in the New Global Opco Limited Partnership Agreement.

Global Opco Limited Partnership Interest means a Limited Partnership Interest as defined in the New Global Opco Limited Partnership Agreement.

Global Opco Unit means a Unit as defined in the New Global Opco Limited Partnership Agreement.

Governmental Authority means the government of any nation, state, city, locality or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including, the NASD, all applicable stock exchanges and any other SROs having jurisdiction over eSpeed or BGC Partners and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

Holdings has the meaning set forth in the preamble to this Agreement.

Holdings Exchangeable Limited Partnership Interest means an Exchangeable Limited Partnership Interest as defined in the New Holdings Limited Partnership Agreement.

Table of Contents

Holdings Founding Partner Interest means a Founding Partner Interest, as defined in the New Holdings Limited Partnership Agreement.

Holdings General Partner Interest means a General Partnership Interest as defined in the New Holdings Limited Partnership Agreement.

Holdings Limited Partnership Interest means a Limited Partnership Interest as defined in the New Holdings Limited Partnership Agreement.

Holdings Units means a Unit as defined in the New Holdings Limited Partnership Agreement.

HSR Act has the meaning set forth in *Section 4.2* of this Agreement.

Indebtedness means, as to any Person, (a) all obligations of such Person for borrowed money (including, reimbursement and all other obligations with respect to surety bonds, letters of credit and bankers acceptances, whether or not matured), and (b) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable, accrued commercial or trade liabilities arising in the ordinary course of business (including repurchase agreements, fails to receive and pending trades, open derivative contracts and other payables to clearing organizations, brokers, dealers and customers), accrued compensation and other accrued liabilities (including taxes, legal reserves, asset retirement obligations and property provisions).

Indemnified Parties has the meaning set forth in *Section 10.2* of this Agreement.

Indemnifying Party has the meaning set forth in *Section 10.3* of this Agreement.

Indemnity Period has the meaning set forth in *Section 10.1* of this Agreement.

Information means all information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, Contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys, memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, legal, employee or business information or data.

Injunction has the meaning set forth in *Section 8.1(d)* of this Agreement.

Intellectual Property means, collectively, all Copyrights, Patents, Trademarks, Trade Secrets, Internet Assets, Software and other proprietary rights.

Internet Assets means any Internet domain names and other computer user identifiers and any rights in and to sites on the worldwide web, including rights in and to any text, graphics, audio and video files and html or other code incorporated in such sites.

Joint Services Agreement means the Amended and Restated Joint Services Agreement, dated as of October 1, 2005, by and between Cantor and eSpeed, as amended.

Knowledge of BGC Partners means the actual knowledge of Howard W. Lutnick, Lee M. Amaitis, Shaun D. Lynn, Stephen M. Merkel or Douglas R. Barnard.

Knowledge of eSpeed means the actual knowledge of Howard W. Lutnick, Lee M. Amaitis, Stephen M. Merkel, Paul Saltzman and Frank V. Saracino.

Table of Contents

Law means any federal, state, local, municipal or foreign (including supranational) law, statute, ordinance, rule, regulation, judgment, order, injunction, decree, arbitration award, agency requirement, license or permit of any Governmental Authority.

Liabilities means any and all Losses, liabilities, claims, charges, debts, demands, actions, causes of action, suits, damages, fines, penalties, offsets, obligations, payments, costs and expenses, sums of money, bonds, indemnities and similar obligations, covenants, Contracts, controversies, agreements, promises, omissions, guarantees, make whole agreements and similar obligations, and other liabilities, including all Contractual Obligations, whether absolute or contingent, inchoate or otherwise, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, and including those arising under any Law, Action or threatened or contemplated Action (including the costs and expenses of demands, assessments, judgments, settlements and compromises relating thereto and attorneys fees and any and all costs and expenses (including allocated costs of in-house counsel and other personnel) reasonably incurred in investigating, preparing or defending against any such Actions or threatened or contemplated Actions), order or consent decree of any Governmental Authority or any award of any arbitrator or mediator of any kind, and those arising under any Contract, commitment or undertaking, including those arising under this Agreement or any other Transaction Document, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person.

License has the meaning set forth in *Section 7.4* of this Agreement.

Lien means, whether arising under any Contract or otherwise, any debts, claims, security interests, liens, encumbrances, pledges, mortgages, retention agreements, hypothecations, rights of others, assessments, restrictions, voting trust agreements, options, rights of first offer, proxies, title defects, and charges or other restrictions or limitations of any nature whatsoever.

Losses means all Liabilities incurred by an Indemnitee, including any reasonable fees, costs or expenses of enforcing any indemnity hereunder; *provided*, that *Losses* shall not include any Special Damages except if and to the extent awarded against such Indemnitee in an Action involving a Third-Party Claim against such Indemnified Party and shall be calculated after giving effect to any related Tax benefit and amounts recovered from third parties, including amounts recovered under insurance policies with respect to such Losses, net of any costs to recover such amounts.

Market Price means the average of the closing price per share of eSpeed Class A Common Stock on each of the 10 consecutive trading days ending on the Closing Date.

Material Contract has the meaning set forth in *Section 4.9(a)* of this Agreement.

Material Employment Arrangement has the meaning set forth in *Section 4.9(b)* of this Agreement.

Merger has the meaning set forth in *Section 2.2* of this Agreement.

Merger Consideration means the shares of eSpeed Common Stock issued in the Merger pursuant to *Section 3.1.*

NASD means the National Association of Securities Dealers, Inc.

NASD Regulations means all of the rules and regulations promulgated by the NASD.

New Bylaws has the meaning set forth in *Section 2.5* of this Agreement.

Table of Contents

New Certificate of Incorporation has the meaning set forth in *Section 2.5* of this Agreement.

New Global Opco Limited Partnership Agreement means the Amended and Restated Limited Partnership Agreement of BGC Global Holdings, L.P., substantially in the form attached as *Exhibit C*.

New Holdings Limited Partnership Agreement means the Amended and Restated Limited Partnership Agreement of Holdings, substantially in the form attached as *Exhibit D*.

New Limited Liability Company Agreement has the meaning set forth in *Section 2.1(a)* of this Agreement.

New U.S. Opco Limited Partnership Agreement means the Amended and Restated Limited Partnership Agreement of BGC Partners, L.P., substantially in the form attached as *Exhibit E*.

Opcos shall mean U.S. Opco and Global Opco.

Orders has the meaning set forth in *Section 4.2* of this Agreement.

Party has the meaning set forth in the preamble to this Agreement.

Patents means any foreign or U.S. patents and patent applications, including any divisions, continuations, continuations-in-part, substitutions or reissues thereof, whether or not patents are issued on such applications and whether or not such applications are modified, withdrawn or resubmitted.

Permits has the meaning set forth in *Section 4.6(b)* of this Agreement.

Person means any individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, Governmental Authority or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

Plan means any employee benefit plan, arrangement, policy, program, agreement or commitment (whether or not an employee plan within the meaning of Section 3(3) of ERISA), including, any employment or deferred compensation agreement, executive compensation, bonus, incentive, pension, profit-sharing, savings, retirement, stock option, stock purchase or severance pay plan, any life, health, disability or accident insurance plan, whether oral or written, whether or not subject to ERISA.

Privacy Policy has the meaning set forth in *Section 4.16* of this Agreement.

Proxy Statement has the meaning set forth in *Section 7.8(a)* of this Agreement.

Registration Rights Agreement means the Registration Rights Agreement in the form attached hereto as *Exhibit F*.

Representatives has the meaning set forth in *Section 11.11(a)* of this Agreement.

Required Governmental Approvals means all consents or approvals required from any Governmental Authority, stock exchange or SRO listed on *Schedule 4.3(g)*.

Requirements of Law means, as to any Person, any Law, statute, treaty, rule, regulation, right, privilege, qualification, license or franchise or determination of an arbitrator or a court, any other Governmental Authority, stock exchange or SRO, in each case applicable or binding upon such Person or any of its property or to which such Person or any of its property is subject or pertaining to any or all of the transactions contemplated or referred to herein.

Table of Contents

Resolution Date has the meaning set forth in *Section 2.8(d)* of this Agreement.

Retiree Welfare Plan means any welfare plan (as defined in Section 3(1) of ERISA) that provides benefits to current or former employees or their spouses or dependents beyond their retirement or other termination of service (other than severance benefits, coverage mandated by Section 4980B of the Code, commonly referred to as COBRA, or benefits the cost of which is fully paid by the current or former employee or his or her dependents).

Review Period has the meaning set forth in *Section 2.8(c)* of this Agreement.

SEC means the U.S. Securities and Exchange Commission.

Securities Act means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

Separation Agreement means the Separation Agreement in the form attached hereto as *Exhibit G*, as it may be amended from time to time pursuant to the terms of this Agreement and the terms of the Separation Agreement.

Separation shall mean the separation of the BGC Business from the other business and operations of Cantor on the terms and subject to the conditions set forth in the Separation Agreement.

Significant Subsidiaries has the meaning ascribed thereto in Rule 1-02 of Regulation S-X under the Exchange Act, as in effect on the date of this Agreement.

Software means any computer software programs, source code, object code, data and documentation, including, any computer software programs that incorporate and run BGC Partners pricing models, formulae and algorithms.

Special Damages means any special, exemplary, indirect, incidental, punitive or consequential damages whatsoever, including damages for lost profits and lost business opportunities or damages calculated based upon a multiple of earnings approach or variant thereof.

Special Item has the meaning set forth on *Section 10.2(a)* of this Agreement.

SRO has the meaning set forth in *Section 4.2* of this Agreement.

Stock Equivalents of a Person means any security or obligation which is by its terms, whether directly or indirectly, convertible into or exchangeable or exercisable for shares of common stock, equity or other capital stock of such Person, and any option, warrant or other subscription or purchase right with respect to common stock, equity or other capital stock of such Person.

Subsidiary of any Person means, as of the relevant date of determination, any other Person of which 50% or more of the voting power of the outstanding voting equity securities or 50% or more of the outstanding economic equity interest is owned, directly or indirectly, by such first Person; *provided*, *however*, that, for purposes of the representations and warranties set forth in this Agreement, references to Subsidiaries of BGC Partners shall be deemed to include (i) all Persons that will be Subsidiaries of BGC Partners after giving effect to the Closing (as defined in the Separation Agreement) under the Separation Agreement and (ii) Cantor, to the extent engaged in the business of the BGC Division or the Transferred Businesses.

Surviving Corporation has the meaning set forth in the recitals to this Agreement.

Table of Contents

Target Closing Cash means $25 million.

Target Closing Indebtedness means $150 million.

Target Closing Net Equity means $146.5 million.

Taxes means any federal, state, provincial, county, local, foreign and other taxes (including, income, profits, windfall profits, alternative or add-on, minimum, accumulated earnings, environmental, personal holding company, capital stock, capital gains, premium, estimated, excise, stamp, registration, sales, use, license, occupancy, occupation, gross receipts, franchise, ad valorem, severance, capital levy, production, transfer, withholding, employment, unemployment compensation, social security (or similar), payroll and property taxes, import duties and other governmental charges and assessments), whether or not measured in whole or in part by net income, and including deficiencies, interest, additions to tax or interest, and penalties with respect thereto.

Tax Receivable Agreement means the tax receivable agreement to be entered into pursuant to the term sheet set forth on *Exhibit H*.

Third-Party Claim has the meaning set forth in *Section 10.4(a)* of this Agreement.

Trade Secrets means any trade secrets, research records, business methods, processes, procedures, manufacturing formulae, technical know-how, technology, blue prints, designs, plans, inventions (whether patentable and whether reduced to practice), invention disclosures and improvements thereto.

Trademarks means any foreign or U.S. trademarks, service marks, trade dress, trade names, brand names, designs and logos, corporate names, product or service identifiers, whether registered or unregistered, and all registrations and applications for registration thereof.

Transaction Documents means, collectively, this Agreement, the Tax Receivable Agreement, the Administrative Services Agreements, the Separation Agreement and the Registration Rights Agreement.

Transferred Assets has the meaning set forth in Section 2.01(a) of the Separation Agreement.

Transferred Businesses has the meaning set forth in the recitals of the Separation Agreement.

U.S. GAAP means U.S. generally accepted accounting principles in effect from time to time.

U.S. Opco has the meaning set forth in the preamble.

U.S. Opco General Partner Interest means a General Partnership Interest as defined in the New U.S. Opco Limited Partnership Agreement.

U.S. Opco Limited Partnership Interest means a Limited Partnership Interest as defined in the New U.S. Opco Limited Partnership Agreement.

U.S. Opco Unit means a Unit as defined in the New U.S. Opco Limited Partnership Agreement.

1.2 *Other Definitions*. Wherever required by the context of this Agreement, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa, and references to any agreement, document or instrument shall be deemed to refer to such agreement, document or instrument as amended, supplemented or modified from time to time. When used herein:

(a) the word *or* is not exclusive unless the context clearly requires otherwise;

Table of Contents

(b) the word *control* (including, with correlative meanings, the terms *controlled by* and *under common control with*), as used with respect to any Person, means the direct or indirect possession of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by Contract or otherwise;

(c) the words *including*, *includes*, *included* and *include* are deemed to be followed by the words *without limitation*;

(d) the terms *herein*, *hereof* and *hereunder* and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision; and

(e) all section, paragraph or clause references not attributed to a particular document shall be references to such parts of this Agreement, and all exhibit, annex and schedule references not attributed to a particular document shall be references to such exhibits, annexes and schedules to this Agreement.

1.3 *Absence of Presumption*. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting or causing any instrument to be drafted.

1.4 *Headings*. The section and article headings contained in this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement. All references to Sections, Articles or Schedules contained herein mean Sections, Articles or Schedules of this Agreement unless otherwise stated.

ARTICLE II

THE MERGER AND CONTRIBUTION

2.1 *Certain Actions Prior to the Merger.*

(a) *Conversion*. Prior to the Separation, BGC Partners shall file a Certificate of Conversion under the DGCL and DLLCA to convert from a Delaware corporation to a Delaware limited liability company that is disregarded as an entity separate from Cantor for U.S. federal income tax purposes (the *Conversion*). In the Conversion, (i) each share of BGC Partners Class A Common Stock will be converted into one BGC Partners Class A Unit, (ii) each share of BGC Partners Class B Common Stock will be converted into one BGC Partners Class B Unit and (iii) each share of BGC Partners Class C Common Stock will be converted into one BGC Partners Class C Unit. In connection with the Conversion, BGC Partners shall be renamed BGC Partners, LLC, and the limited liability company agreement of BGC Partners shall be in substantially the form set forth on *Exhibit I* (the *New Limited Liability Company Agreement*).

(b) *Separation*. Cantor, BGC Partners, the Opcos and Holdings agree that, prior to the Merger, they shall execute the Separation Agreement and take such actions as are necessary to cause the Closing (as defined in the Separation Agreement) to occur prior to the Closing hereunder. None of Cantor, BGC Partners or the Opcos shall amend, modify or waive any provision of the form of Transaction Documents, the Exhibits to the Transaction Documents or the Exhibits to this Agreement without the prior written consent of eSpeed following approval of (i) if prior to the Closing, the eSpeed Special Committee or (ii) if after the Closing, the Audit Committee of the Surviving Corporation; *provided* that (1) if the proposed amendment, modification or waiver is not adverse to eSpeed, then such consent and approval by eSpeed and the eSpeed Special Committee or the Audit Committee of the Surviving Corporation, as the case may be, shall not be unreasonably withheld; or (2) if the proposed amendment, modification or waiver is adverse to eSpeed, then eSpeed and the eSpeed Special Committee or the Audit Committee of the Surviving Corporation, as the case may be, shall consider such amendment, modification or waiver in good faith, but shall have sole discretion as to whether to approve such amendment, modification or waiver.

Table of Contents

(c) *Contribution of Cash*. Following the Separation and prior to the Merger, Cantor or its Subsidiaries shall contribute an amount of cash to Holdings equal to the Target Closing Cash, and Holdings shall contribute such cash to the Opcos in exchange for the issuance to Holdings of U.S. Opco Units and Global Opco Units (it being understood that the U.S. Opco Units and Global Opco Units so issued shall not cause the issued and outstanding U.S. Opco Units and Global Opco Units as of immediately prior to the Effective Time to be in excess of the amounts set forth in *Section 6.6*).

2.2 *The Merger*. Upon the terms and subject to the conditions set forth in this Agreement, at the Effective Time, BGC Partners shall merge with and into eSpeed (the *Merger*), and the separate existence of BGC Partners shall cease. eSpeed shall continue as the surviving entity in the Merger (the *Surviving Corporation*) and shall continue its existence under the Laws of the State of Delaware, with all its rights, privileges, immunities, powers and franchises. At the Effective Time, the separate limited liability company existence of BGC Partners shall cease to exist. The Merger shall have the effects set forth in the DGCL and the DLLCA.

2.3 *Closing*. The closing of the Merger (the *Closing*) shall take place in the offices of Wachtell, Lipton, Rosen & Katz, 51 West 52nd Street, New York, New York, at 10:00 a.m. on the third Business Day (unless BGC Partners and eSpeed agree to another time, date or place) after satisfaction or waiver of the conditions set forth in *Article VIII*, other than those conditions that by their nature are to be satisfied at the Closing, but subject to the fulfillment or waiver of those conditions (the *Closing Date*).

2.4 *Effective Time*. As soon as practicable following the satisfaction or waiver of the conditions set forth in *Article VIII*, on the Closing Date, BGC Partners and eSpeed shall duly execute and file a certificate of merger (the *Certificate of Merger*) with the Secretary of State of the State of Delaware in accordance with, and shall make all other filings or recording and take all such other action required with respect to, the Merger under relevant provisions of the DGCL and the DLLCA. The Merger will become effective when the Certificate of Merger is filed in the office of the Secretary of State of the State of Delaware or at such later date or time as BGC Partners and eSpeed specify in the Certificate of Merger (the time the Merger becomes effective being the *Effective Time*).

2.5 *Constituent Documents of the Surviving Corporation*. Effective as of the Effective Time, the certificate of incorporation of the Surviving Corporation shall be amended and restated to read substantially in the form attached as *Exhibit J* (the *New Certificate of Incorporation*), and the bylaws of the Surviving Corporation shall be substantially in the form attached as *Exhibit K* (the *New Bylaws*), in each case, until thereafter amended as permitted by Law.

2.6 *Directors and Officers*. The directors of eSpeed immediately prior to the Effective Time shall be the directors of the Surviving Corporation, and Howard W. Lutnick and Lee M. Amaitis shall be Co-Chief Executive Officers of the Surviving Corporation. Such directors and officers shall hold office in accordance with and subject to the New Certificate of Incorporation and the New Bylaws.

2.7 *The Contribution*. Concurrently with, or immediately after the Effective Time, the Surviving Corporation shall, and shall cause each of its Subsidiaries (other than Holdings or any of its Subsidiaries and other than the Opcos or any of their respective Subsidiaries) to, contribute, convey, transfer, assign and deliver to the Opcos, and the Opcos shall acquire, accept and assume from the Surviving Corporation and its applicable Subsidiaries, all of the right, title and interest of the Surviving Corporation and its applicable Subsidiaries in, to and under all of the Assets and Liabilities of the Surviving Corporation and its Subsidiaries (other than Holdings or any of its Subsidiaries and other than the Opcos or any of their respective Subsidiaries) (such transaction, the *Contribution*). In exchange for the Contribution, (a) U.S. Opco shall issue to the Surviving Corporation and its applicable Subsidiaries U.S. Opco Limited Partnership Interests consisting of an aggregate number of U.S. Opco Units equal to the number of outstanding shares of eSpeed Common Stock immediately prior to the Effective Time and (b) Global Opco shall issue to the Surviving Corporation and its applicable Subsidiaries Global Opco Limited Partnership Interests consisting of an aggregate number of Global Opco Units equal to the number of outstanding shares of eSpeed Common Stock immediately prior to the Effective Time.

Table of Contents

2.8 *Closing Cash; Closing Indebtedness Closing Net Equity.*

(a) No later than five Business Days prior to the Closing, Cantor shall deliver, or cause to be delivered, to eSpeed a balance sheet (the *Preliminary Closing Balance Sheet*) setting forth Cantor s good-faith estimates of (i) the Closing Cash (the *Estimated Closing Cash*), (ii) the Closing Indebtedness (the *Estimated Closing Indebtedness*), and (iii) the Closing Net Equity (the *Estimated Closing Net Equity*). Cantor shall give, and shall cause its advisors, accountants and representatives to give, eSpeed, the eSpeed Special Committee and their respective advisors, accountants and representatives access to such books, records, work papers and personnel of Cantor as may be reasonably necessary to understand the calculations set forth in the Preliminary Closing Balance Sheet.

(b) Within ninety (90) calendar days following the Closing Date, Cantor shall prepare, or cause to be prepared, and deliver to the Surviving Corporation a statement (the *Adjusted Closing Balance Sheet*) setting forth Cantor s calculation of (i) the Closing Cash (the *Adjusted Closing Cash*), (ii) the Closing Indebtedness (the *Adjusted Closing Indebtedness*), and (iii) the Closing Net Equity (the *Adjusted Closing Net Equity*). Cantor shall give, and shall cause its advisors, accountants and representatives to give, the Surviving Corporation, the Audit Committee of the Surviving Corporation and their respective advisors, accountants and representatives access to such books, records, work papers and personnel of Cantor as may be reasonably necessary to understand the calculations set forth in the Adjusted Closing Balance Sheet.

(c) The Surviving Corporation shall have thirty (30) calendar days from the date on which the Adjusted Closing Balance Sheet is delivered to it to assess the preparation and confirm the accuracy of the Adjusted Closing Balance Sheet and the calculation of the Adjusted Closing Cash, Adjusted Closing Indebtedness and the Adjusted Closing Net Equity (the *Review Period*). If the Surviving Corporation believes in good faith that the Adjusted Closing Balance Sheet (or the calculation of the Adjusted Closing Cash, the Adjusted Closing Indebtedness or the Adjusted Closing Net Equity) is inaccurate, the Surviving Corporation may, on or prior to the last day of the Review Period, deliver a written notice to Cantor setting forth, in reasonable detail, each disputed item or amount and the basis for the Surviving Corporation s disagreement therewith, together with supporting calculations and documentation (the *Dispute Notice*). The Surviving Corporation and the Audit Committee of the Surviving Corporation shall give, and shall cause their respective advisors, accountants and representatives to give, Cantor and its advisors, accountants and representatives access to such books, records, work papers and personnel of the Surviving Corporation and the Audit Committee of the Surviving Corporation as may be reasonably necessary to understand the calculations set forth in the Dispute Notice.

(d) If the Surviving Corporation delivers to Cantor a Dispute Notice on or prior to the last day of the Review Period, the Surviving Corporation and Cantor shall negotiate in good faith to resolve any disputes properly identified in such Dispute Notice. If Cantor and the Surviving Corporation agree in writing on resolution of all disputes properly identified in such Dispute Notice, then the Adjusted Closing Balance Sheet, the Adjusted Closing Cash, the Adjusted Closing Indebtedness and the Adjusted Closing Net Equity, each as modified by such agreement of the Surviving Corporation and Cantor, shall be and become final and binding on the Parties. If the Parties are unable to resolve all disputed items in such Dispute Notice within fifteen (15) calendar days after the Surviving Corporation s delivery of such Dispute Notice to Cantor, they shall promptly thereafter cause an Accounting Referee promptly to review this Agreement and the disputed items or amounts for the purpose of calculating Closing Cash, Closing Indebtedness and Closing Net Equity. In making such calculation, the Accounting Referee shall consider only those items or amounts as to which Cantor and the Surviving Corporation have disagreed. The Accounting Referee shall deliver to Cantor and the Surviving Corporation a report setting forth such calculation. Cantor and the Surviving Corporation shall use their reasonable best efforts to cause the Accounting Referee to deliver such report within 30 days following appointment of the Accounting Referee. Such report shall be final and binding upon Cantor and the Surviving Corporation. The cost of such review and report shall be borne in the same proportion that the aggregate amount of the items unsuccessfully disputed by each (as finally determined by the Accounting Referee) bears to the total amount of the disputed items. Cantor and the Surviving Corporation shall promptly reimburse the other to the extent that the other paid

Table of Contents

more than the amount so required pursuant to the preceding sentence. *Accounting Referee* shall mean an internationally recognized independent accounting firm mutually agreeable to Cantor and the Audit Committee of the Surviving Corporation.

(e) Cantor and the Surviving Corporation will, and will cause their respective independent accountants to, cooperate and assist in the calculation of Closing Cash, Closing Indebtedness and Closing Net Equity and in the conduct of the review by the Accounting Referee referred to in this *Section 2.8*, including the making available to the extent necessary of books, records, work papers and personnel.

(f) If (i) the Final Net Equity differs from the Target Closing Net Equity, (ii) the Final Closing Cash differs from the Target Closing Cash and/or (iii) the Final Closing Indebtedness differs from the Target Closing Indebtedness, then Cantor, on the one hand, and the Opcos, on the other hand, shall pay an amount of cash to the other as is necessary so that the Closing Net Equity, the Closing Cash and the Closing Indebtedness (taking into account such payment of cash) is equal to the Target Closing Net Equity, the Target Closing Cash and the Target Closing Indebtedness, respectively; *provided*, *however*, that, to the extent that the payment of cash is not sufficient to cause the Closing Net Equity, the Closing Cash and the Closing Indebtedness (taking into account such payment of cash) to equal the Target Closing Net Equity, the Target Closing Cash and the Target Closing Indebtedness, respectively, then Cantor and the Opcos shall take such other additional actions (including the transfer of assets, incurrence of Indebtedness, the creation of intercompany receivables or payables) as mutually agreed between Cantor and the Surviving Corporation so that the Closing Net Equity, the Closing Cash and the Closing Indebtedness (taking into account the payment of cash and such other additional actions) is equal to the Target Closing Net Equity, the Target Closing Cash and the Target Closing Indebtedness, respectively.

(g) If the Opcos shall be obligated to make any payment to Cantor, or if any payments shall be owed from the Opcos to Cantor, pursuant to *Sections 2.8(f)*, then the Surviving Corporation shall determine the proportion of such payment that shall be made by U.S. Opco, on the one hand, and Global Opco, on the other hand, and the proportion of such payment that shall be owed by U.S. Opco, on the one hand, and Global Opco, on the other hand (it being understood that such determination shall not change the fact that the Opcos shall be jointly and severally liable for any obligation pursuant to *Sections 2.8(f)*).

(h) For purposes of this Agreement:

(i) *Final Closing Balance Sheet* means the Adjusted Closing Balance Sheet, if no Dispute Notice with respect thereto is duly delivered pursuant to *Section 2.8(c)*; or if a Dispute Notice is delivered with respect thereto pursuant to *Section 2.8(c)*, as agreed by Cantor and the Surviving Corporation pursuant to *Section 2.8(d)*, or, in the absence of such agreement, as shown in the Accounting Referee s calculation delivered pursuant to *Section 2.8(d)*.

(ii) *Final Closing Cash* means the Adjusted Closing Cash, if no Dispute Notice with respect thereto is duly delivered pursuant to *Section 2.8(c)*; or if a Dispute Notice is delivered with respect thereto pursuant to *Section 2.8(c)*, as agreed by Cantor and the Surviving Corporation pursuant to *Section 2.8(d)*, or, in the absence of such agreement, as shown in the Accounting Referee s calculation delivered pursuant to *Section 2.8(d)*.

(iii) *Final Closing Indebtedness* means the Adjusted Closing Indebtedness, if no Dispute Notice with respect thereto is duly delivered pursuant to *Section 2.8(c)*; or if a Dispute Notice is delivered with respect thereto pursuant to *Section 2.8(c)*, as agreed by Cantor and the Surviving Corporation pursuant to *Section 2.8(d)*, or, in the absence of such agreement, as shown in the Accounting Referee s calculation delivered pursuant to *Section 2.8(d)*.

(iv) *Final Closing Net Equity* means the Adjusted Closing Net Equity, if no Dispute Notice with respect thereto is duly delivered pursuant to *Section 2.8(c)*; or if a Dispute Notice is delivered with respect thereto pursuant to *Section 2.8(c)*, as agreed by Cantor and the Surviving Corporation pursuant to

Table of Contents

Section 2.8(d), or, in the absence of such agreement, as shown in the Accounting Referee s calculation delivered pursuant to *Section 2.8(d)*.

(i) All actions taken by the Surviving Corporation under this *Section 2.8* shall be taken under the supervision of the Audit Committee of the Surviving Corporation.

ARTICLE III

MERGER CONSIDERATION

3.1 *Merger Consideration*.

(a) At the Effective Time, by virtue of the Merger and without any action on the part of the holder of any limited liability company interests in BGC Partners or of any eSpeed Common Stock and subject to *Section 3.3*:

(i) each BGC Partners Class A Unit issued and outstanding immediately prior to the Effective Time shall be converted into one share of eSpeed Class A Common Stock;

(ii) each BGC Partners Class B Unit issued and outstanding immediately prior to the Effective Time shall be converted into one share of eSpeed Class B Common Stock; and

(iii) each BGC Partners Class C Unit issued and outstanding immediately prior to the Effective Time shall be converted into 100 shares of eSpeed Class B Common Stock.

(b) The shares of eSpeed Class A Common Stock and shares of eSpeed Class B Common Stock issued and outstanding immediately prior to the Effective Time will, at the Effective Time, remain outstanding as shares of eSpeed Class A Common Stock and shares of eSpeed Class B Common Stock, respectively.

(c) On and after the Effective Time, (i) the holders of Holdings Exchangeable Limited Partnership Interests shall have a right to exchange such Holdings Exchangeable Limited Partnership Interests with the Surviving Corporation for eSpeed Class B Common Stock in accordance with the terms of the New Holdings Limited Partnership Agreement; *provided*, *however*, that, if there shall remain no authorized but unissued eSpeed Class B Common Stock at the time of such exchange, such Holdings Limited Partnership Interests shall be exchanged for eSpeed Class A Common Stock in accordance with the terms of the New Holdings Limited Partnership Agreement; and (ii) the holders of Holdings Founding Partner Interests shall not have a right to exchange such Holdings Founding Partner Interests with the Surviving Corporation for BGC Partners Common Stock unless otherwise determined by Cantor in accordance with the terms of the New Holdings Limited Partnership Agreement.

3.2 *Cancellation of BGC Partners Units*. At the Effective Time, all of the outstanding BGC Partners Units (which shall represent all of the outstanding limited liability company interests in BGC Partners) shall no longer be outstanding and shall automatically be cancelled and shall cease to exist. Certificates representing such BGC Partners Units, if any, prior to the Effective Time shall be deemed for all purposes to represent the number and class of shares of eSpeed Common Stock into which such BGC Partners Units were converted in the Merger pursuant to *Section 3.1*. Holders of BGC Partners Units as of immediately prior to the Effective Time will, as of the Effective Time, cease to be, and will have no rights as, members of BGC Partners, other than rights to (a) receive any then unpaid dividend or other distribution with respect to such BGC Partners Units having a record date before the Effective Time and (b) receive the Merger Consideration provided under this *Article III*. After the Effective Time, there will be no transfers of BGC Partners Units on the books of BGC Partners.

3.3 *Fractional Shares*. Notwithstanding any other provision of this Agreement, no fractional shares of eSpeed Common Stock and no certificates or scrip therefor, or other evidence of ownership thereof, will be issued in the Merger; instead, the Surviving Corporation will pay to each holder of a BGC Partners Unit who would otherwise be entitled to a fractional share of eSpeed Common Stock an amount in cash (without interest) determined by multiplying such fraction of a share of eSpeed Common Stock by the Market Price.

Table of Contents

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF BGC PARTNERS

Except as disclosed in the BGC Partners Disclosure Schedule (with specific reference to the Section or subsection of this Agreement to which the information stated in such Disclosure Schedule relates; *provided* that any item on the BGC Partners Disclosure Schedule in any one or more sections of the BGC Partners Disclosure Schedule shall be deemed disclosed with respect to other sections of this Agreement and all other sections or subsections of the BGC Partners Disclosure Schedule solely to the extent that the relevance of such disclosure is readily apparent notwithstanding the absence of a specific cross-reference) or in the Form S-1 solely to the extent that the relevance of such disclosure is readily apparent (but excluding, in each case, any disclosures set forth in any risk factor section, in any section relating to forward-looking statements and any other disclosures included in the Form S-1 solely to the extent that they are generic, cautionary, predictive or forward-looking in nature, whether or not appearing in such sections), BGC Partners hereby represents and warrants to eSpeed as follows:

4.1 *Corporate Existence and Power*. Each of BGC Partners and its Subsidiaries (a) is duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or formation, (b) has all requisite power (corporate, company or limited partnership, as the case may be) and authority to own and operate its property, assets or rights, to lease the property, assets or rights it operates as lessee and to conduct the business in which it is currently engaged and (c) is duly qualified to do business and in good standing under the Laws of each jurisdiction in which its ownership, lease or operation of property, assets or rights or the conduct of its business requires such qualification, except where the failure to be so qualified would not reasonably be expected to have a BGC Material Adverse Effect. No jurisdiction, other than those in which such Person is duly qualified, has claimed in writing that BGC Partners or any of its Subsidiaries is required to qualify as a foreign corporation or other entity therein. BGC Partners has made available to eSpeed complete and correct copies of its Certificate of Incorporation and Bylaws and the certificate of incorporation and bylaws (or comparable organizational documents) of each of its Subsidiaries, in each case as amended to the date of this Agreement.

4.2 *Authorization; No Contravention*. BGC Partners has all requisite corporate power and authority to enter into this Agreement and each of the other Transaction Documents and to consummate the Merger and the other transactions contemplated by this Agreement. The execution, delivery and performance by BGC Partners of this Agreement and each of the other Transaction Documents to which it will be a party and the transactions contemplated hereby and thereby have been duly authorized and approved by BGC Partners, and no corporate, limited partnership or other action on the part of BGC Partners is necessary. Except for approval, (if required), expiration or early termination, as the case may be, of all applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the *HSR Act*), or as set forth on *Schedule 4.2* of the BGC Partners Disclosure Schedule, the execution, delivery and performance by BGC Partners of this Agreement and each of the other Transaction Documents to which BGC Partners is a party and the transactions contemplated hereby and thereby do not violate, conflict with or result in any breach, default or contravention of (or with due notice or lapse of time or both would result in any breach, default or contravention of), or give rise to a right of termination, cancellation or acceleration of any obligation or to the loss of a benefit under, or the creation of any material Lien under, any material Contractual Obligation of BGC Partners or its Subsidiaries, any organizational document, instrument or certificate of BGC Partners or its Subsidiaries or any material Requirement of Law applicable to BGC Partners or its Subsidiaries and except for approval of the NASD (if required), expiration or early termination, as the case may be, of all applicable waiting periods under the HSR Act, or as set forth on *Schedule 4.2* of the BGC Partners Disclosure Schedule do not violate any judgment, injunction, writ, award, decree or order (collectively, *Orders*) of any Governmental Authority against, or binding upon, BGC Partners or its Subsidiaries.

4.3 *Governmental Approvals; Third-Party Consents*. Except (a) for the filings with the Delaware Secretary of State to effect the Conversion, (b) for such filings and notifications as may be required by the HSR Act and, if necessary, similar foreign competition or Antitrust Laws, (c) for any required consent, approval, order or

Table of Contents

authorization of, or registration, declaration or filing with, the NASD, (d) for the filing of the Certificate of Merger, (e) for such filings with the NASDAQ Global Market to obtain the authorizations for listing contemplated by this agreement, (f) for any approval, consent, authorization of filing that if not obtained would not be material to the BGC Partners and its Subsidiaries, taken as a whole, and (g) as set forth in *Schedule 4.3* of the BGC Partners Disclosure Schedule (for each of (a) through (g), if required), no approval, consent, compliance, exemption, authorization or other action by, or notice to, or filing with, any applicable stock exchanges, Governmental Authority, quasi-governmental entities or SROs having jurisdiction or supervision over BGC Partners or any of its Subsidiaries, no consent or approval of any third parties and no lapse of a waiting period under a Requirement of Law, is necessary or required in connection with the execution, delivery or performance by BGC Partners of this Agreement and each of the other Transaction Documents to which it will be party or the transactions contemplated hereby and thereby.

4.4 *Binding Effect*. This Agreement has been duly executed by BGC Partners and, as of the Closing Date, each of the other Transaction Documents to which it will be a party shall have been duly executed and delivered by BGC Partners, and this Agreement constitutes, and as of the Closing Date each of the other Transaction Documents to which it will be a party shall constitute, the legal, valid and binding obligations of BGC Partners, enforceable against BGC Partners in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar Laws affecting the enforcement of creditors rights generally and by general principles of equity relating to enforceability (regardless of whether considered in a proceeding at Law or in equity).

4.5 *Litigation*. Except as set forth on *Schedule 4.5* of the BGC Partners Disclosure Schedule, there are no actions, suits, proceedings, claims, complaints, disputes, arbitrations or, to the Knowledge of BGC Partners, investigations (collectively, *Claims*) which, individually or in the aggregate, would reasonably be expected to be material to BGC Partners and its Subsidiaries taken as a whole pending or, to the Knowledge of BGC Partners, threatened, at Law, in equity, in arbitration or before any Governmental Authority against BGC Partners or any of its Subsidiaries. No Order has been issued by any court or other Governmental Authority against BGC Partners or any its Subsidiaries purporting to enjoin or restrain the execution, delivery or performance of this Agreement, the Merger or any of the other Transaction Documents to which BGC Partners is a party.

4.6 *Compliance with Laws*.

(a) Except as set forth on *Schedule 4.6(a)* of the BGC Partners Disclosure Schedule, (i) each of BGC Partners and its Subsidiaries have been since December 31, 2004 and are in compliance in all material respects with all Requirements of Law and all Orders of any Governmental Authority applicable to BGC Partners and its Subsidiaries except as would not be reasonably expected to be material to BGC Partners and its Subsidiaries, taken as a whole, as of the date of this Agreement or as of the Closing and (ii) there is no existing or, to the Knowledge of BGC Partners, proposed Requirement of Law that would reasonably be expected to prohibit or restrict BGC Partners or its Subsidiaries from, or otherwise affect BGC Partners or its Subsidiaries in, conducting its businesses in any jurisdiction in which it now conducts such businesses which would reasonably be expected to be material to BGC Partners and its Subsidiaries, taken as a whole, as of the date of this Agreement or as of the Closing.

(b) BGC Partners and its Subsidiaries hold all material authorizations, licenses, permits, certificates, easements, exemptions, orders, consents, registrations, clearances and approvals of any Governmental Authority (collectively, *Permits*) that are necessary for ownership, leasing, and operation of each of their properties and other assets and the conduct of each of their businesses as each such business is being conducted as of the date hereof and all such Permits are valid and in full force and effect.

(c) Since December 31, 2004, (i) neither BGC Partners nor any of its Subsidiaries has received (and does not otherwise have any BGC Partners Knowledge of) any written notice from any Governmental Entity that (x) alleges any noncompliance (or that BGC Partners or any of its Subsidiaries is under investigation or the

Table of Contents

subject of an inquiry by any such Governmental Entity for such alleged noncompliance) with any applicable Law, (y) asserts any deficiency in required legal capital or (z) would be reasonably likely to result in a material fine, assessment or cease and desist order, or the suspension, revocation or material limitation or restriction of any Permit, in each of cases (x), (y) and (z), that is material to BGC Partners and its Subsidiaries, taken as a whole, and (ii) neither BGC Partners nor any of its Subsidiaries has entered into any agreement or settlement with any Governmental Entity with respect to its non-compliance with, or violation of, any applicable Law.

(d) Each Subsidiary of BGC Partners that is a U.S. broker-dealer (a *Broker-Dealer Subsidiary*) is duly registered under the Exchange Act as a broker-dealer with the SEC, and is in compliance with the applicable provisions of the Exchange Act, including the net capital requirements and customer protection requirements thereof, except as would not be expected to be material to BGC Partners and its Subsidiaries taken as a whole.

4.7 *Capitalization*.

(a) As of the date of this Agreement, the authorized capital stock of BGC Partners consists of Three Hundred Fifty Million and One (350,000,001) shares, consisting of (a) Fifty Million (50,000,000) shares of Preferred Stock, par value $0.01 per share, and (b) Three Hundred Million and One (300,000,001) shares of Common Stock, of which Two Hundred Million (200,000,000) shares will be designated as Class A Common Stock, par value $0.01 per share, One Hundred Million (100,000,000) shares will be designated as Class B Common Stock, par value $0.01 per share, and one share will be designated as Class C Common Stock, par value $0.01 per share, of which 1,000 shares of Class A Common Stock are issued and outstanding. On the Closing Date, immediately prior to the Effective Time, (i) the authorized equity interests of BGC Partners shall consist of (A) 200,000,000 BGC Partners Class A Units, of which zero (0) shall be issued and outstanding, (B) 100,000,000 BGC Partners Class B Units, of which 21,968,971 shall be issued and outstanding, and (C) one (1) BGC Partners Class C Unit, which BGC Class C Unit shall be issued and outstanding; and (ii) there shall be 111,890,929 issued and outstanding Holdings Units, each of which, if held by a member of the Cantor Group, shall be exchangeable with BGC Partners into one BGC Partners Class B Unit (or, at the option of Cantor or if there shall be an insufficient number of authorized but unissued BGC Partners Class A Units at the time of such exchange, one BGC Partners Class A Unit) and, if not held by a member of Cantor Group, may or may not be exchangeable with BGC Partners into one BGC Partners Class A Unit. Except as set forth on *Schedule 4.7(a)* of the BGC Partners Disclosure Schedule and the prior sentence, as of the Closing Date immediately prior to the Closing, there shall be no options, warrants, conversion privileges, subscription or purchase rights or other rights outstanding to purchase or otherwise acquire by or from BGC Partners, (i) any authorized but unissued equity of BGC Partners, (ii) any Stock Equivalents or (iii) any other securities of BGC Partners and there are no commitments, Contracts, agreements, arrangements or understandings by BGC Partners to issue any shares of BGC Partners capital stock or any Stock Equivalents or other securities of BGC Partners.

(b) *Schedule 4.7(b)(i)* of the BGC Partners Disclosure Schedule sets forth for each Subsidiary of BGC Partners as of the Closing Date, a list of (i) the jurisdiction of organization of such Subsidiary; (ii) the capitalization as of the Closing of such Subsidiary (collectively, the *BGC Equity Interests*); and (iii) the ownership (direct or indirect) as of the Closing of all outstanding BGC Equity Interests of such Subsidiary; *provided* that, notwithstanding the above, as of the closing of the Separation, all businesses contemplated to be contributed to the BGC Partners and its Subsidiaries in connection with the Separation will be so contributed. As of the Closing Date, all of the outstanding BGC Equity Interests will be duly authorized, validly issued, fully paid and non-assessable (if applicable), and will be issued in compliance with the registration and qualification requirements of all applicable federal, state and foreign securities Laws and will be owned free and clear of all Liens, except for immaterial Liens. Except as set forth on *Schedule 4.7(b)(ii)* of the BGC Partners Disclosure Schedule and except for the Holdings Exchangeable Interests and, in certain circumstances, the Holdings Founding Partner Interests, there are no options, warrants, conversion privileges, subscription or purchase rights or other rights presently outstanding issued or granted by BGC Partners or any of its Subsidiaries to purchase or otherwise acquire any authorized but unissued, unauthorized or treasury shares of capital stock or other securities of, or any proprietary interest in, any of BGC Partners or any of its Subsidiaries, and there is no outstanding

Table of Contents

security of any kind issued or granted by BGC Partners or any of its Subsidiaries convertible into or exchangeable for such shares or proprietary interest in any such entity. Except as set forth on *Schedule 4.7(b)(ii)* of the BGC Partners Disclosure Schedule, neither BGC Partners nor any of its Subsidiaries owns any interest, or has a right to acquire any interest, in any Person that is not a Subsidiary of such entity.

4.8 *Financial Statements*. BGC Partners shall have delivered or made available to the eSpeed Special Committee copies of the combined statements of financial condition of the BGC Division as of December 31, 2006, 2005 and 2004 (the statement of financial condition for the year ended December 31, 2006, the *Balance Sheet*), and the related combined statements of operations, cash flows and changes in net assets for each of the three years in the period ended December 31, 2006 (collectively, the *Financial Statements*). The Financial Statements (a) have been prepared in accordance with U.S. GAAP applied on a consistent basis throughout the periods indicated, and (b) fairly present in all material respects the financial condition, operating results and cash flows of BGC Partners and its Subsidiaries as of the respective dates and for the respective periods indicated in accordance with U.S. GAAP. Except as set forth on Schedule 4.8 of the BGC Partners Disclosure Schedule, the books and records of BGC Partners and its Subsidiaries have been, and are being, maintained in all material respects in accordance with U.S. GAAP and other applicable legal and accounting requirements.

4.9 *Material Contracts*.

(a) *Schedule 4.9(a)* of the BGC Partners Disclosure Schedule sets forth a list as of the date of this Agreement of all Contracts (excluding any employment, compensation, partnership arrangements or agreements (*Employee/Partner Contracts*)), in any case, of the following types, or which are otherwise material to BGC Partners and its Subsidiaries, taken as a whole after giving effect to the Separation, which have not been fully performed and for which after giving effect to the Merger, BGC Partners or any of its Subsidiaries has any continuing rights, obligations or liabilities thereunder (to which BGC Partners or any of its Subsidiaries is a party or by which any member, any of their respective Subsidiaries or any of their respective Assets is bound) (each, a *Material Contract* and collectively, the *Material Contracts*):

(i) any Contract containing a covenant restricting the ability of BGC Partners or any of its Subsidiaries (or that, following the Closing, would restrict the ability of the Surviving Corporation or its Subsidiaries) to compete in any business or with any Person or in any geographic area, or to hire any individual or group of individuals;

(ii) any joint venture, partnership, strategic alliance or other similar Contract (including any franchising agreement but in any event excluding introducing broker agreements); and any Contract relating to the acquisition or disposition of any material business or material assets (whether by merger, sale of stock or assets or otherwise), which acquisition or disposition is not yet complete or where such Contract contains continuing material obligations of BGC Partners or any of its Subsidiaries;

(iii) any Contract with any Governmental Authority (other than Contracts with any Governmental Authority as a client or customer entered into in the ordinary course of business) that imposes any material obligation or restriction on BGC Partners or its Subsidiaries;

(iv) any Contract relating to Indebtedness for borrowed money, letters of credit, capital lease obligations, obligations secured by a Lien or interest rate or currency hedging agreements (including guarantees in respect of any of the foregoing but in any event excluding trade payables, securities transactions and brokerage agreements arising in the ordinary course of business consistent with past practice, intercompany indebtedness and immaterial leases for telephones, copy machines, facsimile machines and other office equipment) in excess of $5,000,000; and

(v) any Contract the termination or breach of which, or the failure to obtain consent in respect of is reasonably likely to have a BGC Material Adverse Effect.

(b) The Material Contracts are valid and binding and are in full force and effect and enforceable in accordance with their respective terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium

Table of Contents

or other Laws relating to or affecting the rights and remedies of creditors generally and to general principles of equity (regardless of whether considered in a proceeding in equity or at Law). Neither BGC Partners nor any of its Subsidiaries is, in any material respect, in violation or breach of or default under (or, to the Knowledge of BGC Partners, is alleged to be in default or breach in any material respect under) any Material Contract or under any Employee/Partner Contract in any case, material to BGC Partners and its Subsidiaries, and after giving effect to the Merger (each, a *Material Employment Arrangement*) nor, to the Knowledge of BGC Partners, is any other party to any such Material Contract or such Material Employment Arrangement. Except as set forth on *Schedule 4.9(b)* of the BGC Partners Disclosure Schedule, to the Knowledge of BGC Partners, no event or circumstances has occurred that, with notice or lapse of time or both, would constitute an event of default thereunder or result in the termination thereof or would cause or permit the acceleration of any right or obligation or the loss of any benefit that is material to BGC Partners and its Subsidiaries, taken as a whole.

4.10 *No Material Adverse Change*. Since December 31, 2006 and except as set forth on *Schedule 4.10* of the BGC Partners Disclosure Schedule and except as expressly contemplated by this Agreement or the transactions contemplated by this Agreement and the Transaction Documents (including the Separation and the Merger) or as expressly consented to in writing by the eSpeed Special Committee, (a) there has not been any change, event or occurrence that, individually or in the aggregate, has resulted in or would reasonably be expected to have a BGC Material Adverse Effect, (b) neither BGC Partners nor any of its Subsidiaries has acted outside the ordinary course of business in accordance with past practice, (c) neither BGC Partners nor any of its Subsidiaries has increased the compensation of any of their officers or the rate of pay of any of their employees taken as a whole or amended or implemented any plan, in any such case, in any material respect, except as part of regular compensation increases in the ordinary course of business, and (d) there has not occurred a material change in the accounting principles or practice of BGC Partners or any of its Subsidiaries except as required by reason of a change in U.S. GAAP.

4.11 *Taxes*. Except as set forth on *Schedule 4.11* of the BGC Partners Disclosure Schedule (a) BGC Partners and its Subsidiaries have timely filed or caused to be filed all material returns for Taxes that they are required to file on and through the date of this Agreement (including all applicable extensions), and all such Tax returns are accurate and complete in all material respects; (b) BGC Partners and its Subsidiaries have paid in full, or made adequate provision on the Balance Sheet (in accordance with U.S. GAAP) for, all material Taxes with respect to periods ending on or before the date of the Balance Sheet; (c) with respect to all material Tax returns of BGC Partners and its Subsidiaries, (i) there is no material unpaid Tax deficiency proposed in writing against BGC Partners or its Subsidiaries, and (ii) no audit is in progress with respect to any material return for Taxes, no extension of time is in force with respect to any date on which any material return for Taxes was or is to be filed and no waiver or agreement is in force for the extension of time for the assessment or payment of any Tax; (d) BGC Partners and its Subsidiaries have paid in full or made adequate provision on their books and records for all material Taxes with respect to periods ending after the date of the Balance Sheet (including any such Taxes arising in connection with the transactions effected pursuant to the Separation Agreement or in connection therewith); and (e) there are no material Liens for Taxes on the material Assets of BGC Partners or its Subsidiaries other than Liens for Taxes not yet due and payable.

4.12 *Labor Relations*. Except as set forth in *Schedule 4.12* of the BGC Partners Disclosure Schedule, (a) neither BGC Partners nor any of its Subsidiaries is engaged in any unfair labor practice material to BGC Partners and its Subsidiaries, taken as a whole; (b) there is (i) no material grievance or arbitration proceeding arising out of or under collective bargaining agreements pending or, to the Knowledge of BGC Partners, threatened against BGC Partners or any of its Subsidiaries and (ii) no strike, material labor dispute (other than employment disputes), slowdown or stoppage pending or, to the Knowledge of BGC Partners, threatened against BGC Partners or any of its Subsidiaries, (c) neither BGC Partners nor any of its Subsidiaries is a party to any collective bargaining agreement or contract; (d) there is no union representation question existing with respect to the employees of BGC Partners or any of its Subsidiaries, and (e) no union organizing activities are taking place.

Table of Contents

4.13 *Employee Benefit Plans*.

(a) *Schedule 4.13* of the BGC Partners Disclosure Schedule lists each material Plan (excluding any employment agreements) that BGC Partners or its Subsidiaries sponsors, maintains or to which BGC Partners or any of its Subsidiaries contributes or is obligated to contribute or has any liability (the *BGC Partners Plans*) and specifies if such Plan is sponsored at BGC Partners or its Subsidiaries. Each BGC Partners Plan has been established and administered in all material respects in accordance with its terms, and complies in all material respects in form and in operation with the applicable requirements of ERISA and the Code and other applicable Requirements of Law. BGC Partners has made available to eSpeed copies of all such BGC Partner Plans and to the extent applicable financial (including FASB 106 with respect to any Retiree Welfare Plan) or actuarial reports. For purposes of this Agreement, in no event shall the term BGC Partners Plans include any Plan that is sponsored or maintained by eSpeed or its Subsidiaries.

(b) No Claim with respect to any BGC Partners Plan (other than routine claims for benefits) is pending, which could reasonably be expected to result in a material liability to BGC Partners.

(c) The Internal Revenue Service has issued a favorable determination letter with respect to each BGC Partners Plan that is intended to be qualified under Section 401(a) of the Code stating that such plan is so qualified and to the Knowledge of BGC Partners no events have occurred that would reasonably be expected to result in the revocation of such determination.

(d) No BGC Partners Plan is a Retiree Welfare Plan or an unfunded pension plan.

(e) Except as set forth in *Schedule 4.13(e)* of the BGC Partners Disclosure Schedule, the consummation of the transactions contemplated by this Agreement, either alone or together with any other event, shall not accelerate the time of the payment or vesting of compensation due to, increase the amount of compensation due to, or result in severance payable to any employee or former employee of BGC Partners and its Subsidiaries whether or not such payment would constitute an excess parachute payment under Section 280G of the Code.

(f) No BGC Partners Plan is subject to Title IV of ERISA or Section 412 of the Code. As a result of the consummation of the transactions contemplated by this Agreement, neither BGC Partners nor any of its Subsidiaries is reasonably expected to have any direct or contingent obligation (other than for premiums payable to the Pension Benefit Guaranty Corporation under Title IV of ERISA) with respect to any employee benefit plan or arrangement that is subject to Section 302 of ERISA, Title IV of ERISA or Section 412 of the Code that is due to the affiliation of BGC Partners or any of its Subsidiaries with any entity that, together with BGC Partners or any of its Subsidiaries, would be treated as a single employer under Section 4001 of ERISA or Section 414(b) or (c) of the Code (and with respect to Section 412 of the Code and Section 302 of ERISA, including Sections 414(m) and (o) of the Code), that is in addition to any direct or contingent obligation that the BGC Partners and its Subsidiaries had or could reasonably have had prior to the Closing Date as a result of the direct or indirect ownership (based on value or voting control) of Howard W. Lutnick.

(g) Neither BGC Partners nor any of its Subsidiaries has any liability to participants or unitholders with respect to the CFLP Incentive Unit Bonus Plan or any units otherwise granted pursuant to the Amended and Restated Agreement of Limited Partnership of Cantor, as it may be amended from time to time, other than arising under the New Holdings Limited Partnership Agreement.

4.14 *No Undisclosed Liabilities*. Except as set forth in *Schedule 4.14* of the BGC Partners Disclosure Schedule, neither BGC Partners nor any of its Subsidiaries has any direct or indirect Liabilities, whether known, unknown, absolute, accrued, contingent or otherwise and whether due or to become due other than (a) Liabilities fully and adequately reflected in or reserved against on the Balance Sheet, (b) Liabilities incurred since the Balance Sheet in the ordinary course of business, (c) Liabilities that are permitted or are contemplated by this Agreement, (d) Liabilities that would not reasonably be expected to have a BGC Material Adverse Effect, and

Table of Contents

(f) Liabilities with respect to any Contractual Obligation entered into by BGC Partners or any of its Subsidiaries (other than any Contractual Obligation that BGC Partners failed to disclose to eSpeed in breach of any representation or warranty under this *Article IV*).

4.15 *Intellectual Property*.

(a) (i) As of the Closing, BGC Partners and its Subsidiaries, collectively, will own all, or have the enforceable and sufficient license or right to use, sell or license, as applicable, all of the material Intellectual Property used by BGC Partners and its Subsidiaries in connection with their businesses as presently conducted or as otherwise contemplated by the Merger, free and clear of any Liens that would materially interfere with the use or materially impair the value of such Intellectual Property.

(ii) *Schedule 4.15(a)(ii)* of the BGC Partners Disclosure Schedule sets forth all of the material filings, registrations and applications for any Intellectual Property owned by BGC Partners or any of its Subsidiaries. Except as set forth on *Schedule 4.15(a)(v)* of the BGC Partners Disclosure Schedule, none of the Intellectual Property owned by BGC Partners, Cantor or their respective Subsidiaries and used by the Transferred Businesses (as defined in the Separation Agreement) is subject to any outstanding Order and there are no Claims pending or, to the Knowledge of BGC Partners, threatened at Law, in equity, in arbitration or before any Governmental Authority against BGC Partners or any of its Subsidiaries with respect to such Intellectual Property. BGC Partners has taken all actions within its power or authority reasonably necessary to ensure protection of the Intellectual Property listed on *Schedule 4.15(a)* under applicable Law (including making and maintaining in full force and effect all necessary filings, registrations and issuances).

(iii) *Schedule 4.15(a)(iii)* of the BGC Partners Disclosure Schedule sets forth all material Intellectual Property licenses, sublicenses, distributor agreements and other agreements under which BGC Partners or its Subsidiaries is either a licensor, licensee or distributor, except such licenses, sublicenses and other agreements relating to off-the-shelf software, which is commercially available on a retail basis and used solely on the computers of BGC Partners or its Subsidiaries. BGC Partners and its Subsidiaries are not, nor to the Knowledge of BGC Partners is any other party thereto, in material breach of or default thereunder in any respect, nor is there any event which with notice or lapse of time or both would constitute a default thereunder. All such material Intellectual Property licenses are valid, enforceable and in full force and effect in all material respects, and shall continue to be so on identical terms immediately following the Closing, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar Laws affecting the enforcement of creditors rights generally and by general principles of equity relating to enforceability (regardless of whether considered in a proceeding at Law or in equity).

(iv) Other than as set forth on *Schedule 4.15(a)(iv)* of the BGC Partners Disclosure Schedule, none of the Intellectual Property, products or services currently sold, provided or licensed by BGC Partners or its Subsidiaries to any Person or, to the Knowledge of BGC Partners, used by or licensed to BGC Partners or its Subsidiaries by any Person materially infringes upon or otherwise materially violates any Intellectual Property rights of others, in a manner that would be expected to result in a material liability to BGC Partners and its Subsidiaries or prohibit BGC Partners or its Subsidiaries from using Intellectual Property that is material to BGC Partners and its Subsidiaries.

(v) Except as set forth on *Schedule 4.15(a)(v)* of the BGC Partners Disclosure Schedule, no material litigation is pending and no Claim has been made against BGC Partners or its Subsidiaries or, to the Knowledge of BGC Partners, is threatened, contesting the right of BGC Partners or its Subsidiaries to sell or license to any Person or use the Intellectual Property presently sold or licensed to such Person or used by BGC Partners or its Subsidiaries.

(b) Except as set forth on *Schedule 4.15(b)* of the BGC Partners Disclosure Schedule, to the Knowledge of BGC Partners, no Person is infringing upon or otherwise violating the Intellectual Property rights of BGC Partners or its Subsidiaries.

Table of Contents

(c) Since January 1, 2002, no former employer of any employee of BGC Partners or its Subsidiaries (excluding ETC Pollak SAS, AS Menkul Kiymetler A.S., Aurel Leven Securities SA , BGC Brokers Investment Corporation and any of their Subsidiaries (collectively, the *Acquired Entities*)), and to the Knowledge of BGC Partners, no former employer of any employee of any of the Acquired Entities, has made a Claim against BGC Partners or its Subsidiaries, that such employee is utilizing Intellectual Property of such former employer.

(d) To the Knowledge of BGC Partners, none of the Trade Secrets of BGC Partners or its Subsidiaries, wherever located, the value of which is contingent upon maintenance of confidentiality thereof, has been disclosed to any Person who is not required to maintain such confidentiality, except as required pursuant to the filing of a patent application by BGC Partners or its Subsidiaries.

(e) *Schedule 4.15(e)(i)* of the BGC Partners Disclosure Schedule sets forth the Intellectual Property owned by any Affiliate or any officer, employee or consultant of BGC Partners or its Subsidiaries that is material to the business of BGC Partners and its Subsidiaries, taken as a whole.

(f) All individuals named as an inventor in any of the pending Patent applications listed on *Schedule 4.15(a)(ii)* of the BGC Partners Disclosure Schedule have executed and delivered proprietary invention agreements with BGC Partners or its Subsidiaries, and are obligated under the terms thereof to assign all inventions subject to such Patent applications to BGC Partners or its Subsidiaries, except as would not be material to BGC Partners and its Subsidiaries, taken as a whole.

(g) None of BGC Partners nor any of its Subsidiaries is using any material owned Intellectual Property in a manner that would be expected to result in the cancellation or unenforceability of such owned Intellectual Property.

4.16 *Privacy of Customer Information*. BGC Partners and each of its U.S. Subsidiaries abides by the privacy policies set forth on *Schedule 4.16* (each a *Privacy Policy*) and all applicable Laws with respect to non-public financial Information that it collects from its customers (the *Customer Information*).

4.17 *Potential Conflicts of Interest*. Except for transactions related to the clearing of securities or futures in the ordinary course of business, or as set forth on *Schedule 4.17* of the BGC Partners Disclosure Schedules, no officer or director set forth on *Schedule 4.17(a)* of the BGC Partners Disclosure Schedule, no spouse of any such officer or director and, to the Knowledge of BGC Partners, no Person that is controlled (as defined in Regulation 12b-2 promulgated under the Exchange Act) by any of the foregoing (a) owns, directly or indirectly, any interest in (excepting (i) less than one percent (1%) stock holdings for investment purposes in securities of publicly held and traded companies or (ii) passive investments in hedge funds, private equity funds or other similar investments), or is an officer, director, employee or consultant of, any Person which is, or is engaged in business having a material relationship as, a competitor, lessor, lessee, supplier, distributor, sales agent or customer of, or lender to or borrower from, BGC Partners or any of its Subsidiaries; or (b) owns, directly or indirectly, in whole or in part, any tangible or intangible property, asset or right material to the conduct of the businesses of BGC Partners or its Subsidiaries. No stockholder, partner or other equity-holder of Cantor or BGC Partners (a) is a lender to or borrower from BGC Partners or any of its Subsidiaries, except for such transactions as would not be required to be disclosed by BGC Partners pursuant to Item 404 of Regulation S-K under the Securities Act, or (b) owns, directly or indirectly, in whole or in part, any tangible or intangible property, asset or right material to the conduct of the BGC Business.

4.18 *Environmental Matters*. BGC Partners and its Subsidiaries are in compliance with all applicable Environmental Laws, except where the failure to be in compliance would not have a BGC Material Adverse Effect. There is no civil, criminal or administrative Action, notice or demand letter pending or, to the Knowledge of BGC Partners, threatened against BGC Partners or its Subsidiaries pursuant to Environmental Laws which would reasonably be expected to have a BGC Material Adverse Effect. To the Knowledge of BGC Partners, there are no past or present events, conditions, circumstances, activities, practices, incidents, agreements, actions or

Table of Contents

plans which would reasonably be expected to prevent compliance with, or which have given rise to or shall give rise to liability that is material to BGC Partners and its Subsidiaries, taken as a whole, under Environmental Laws.

4.19 *Insurance*. BGC Partners and its Subsidiaries maintain those insurance policies or binders of insurance identified on *Schedule 4.19* of the BGC Partners Disclosure Schedule. Such policies and binders are valid and enforceable in accordance with their terms and are in full force and effect.

4.20 *Controls*. BGC Partners has heretofore made available to the other Parties a true, complete and correct copy of any disclosure (or, if unwritten, a summary thereof) by any employee of BGC Partners or its Subsidiaries to its independent auditors relating to (a) any significant deficiencies in the design or operation of internal controls which could adversely affect the ability of BGC Partners or any of its Subsidiaries to record, process, summarize to the Knowledge of BGC Partners, and report financial data and any material weaknesses in internal controls and (y) to the Knowledge of BGC Partners, any fraud, whether or not material, that involves management or other employees who have a significant role in the internal control over financial reporting of BGC Partners or any of its Subsidiaries.

4.21 *Sufficiency of Assets*. Except as set forth on *Schedule 4.21* of the BGC Partners Disclosure Schedule, at the Closing, BGC Partners will, taking into account all of the Ancillary Agreements and the Transaction Documents, own or have the right to use all of the assets, rights and properties necessary to conduct in all material respects the business of the BGC Division immediately following the Closing substantially as it has been conducted immediately prior to the date hereof.

4.22 *Investment Company*. Neither BGC Partners nor any of its Subsidiaries is an investment company within the meaning of the Investment Company Act of 1940, as amended.

4.23 *Broker s, Finder s or Similar Fees*. There are no brokerage commissions, finder s fees or similar fees or commissions payable by BGC Partners or any of its Subsidiaries in connection with the transactions contemplated by this Agreement.

4.24 *Proxy Statement*. None of the information supplied or to be supplied by BGC Partners or any of its Subsidiaries specifically for inclusion or incorporation by reference in the Proxy Statement relating to the eSpeed Stockholder Meeting will, (i) when filed, at any time it is amended or supplemented or at the time it becomes effective contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading or (ii) at the date the Proxy Statement is first mailed to the stockholders of eSpeed or at the time of the eSpeed Stockholder Meeting contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The Proxy Statement will comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder. Notwithstanding the foregoing, no representation or warranty is made by BGC Partners with respect to statements made or incorporated by reference in the Proxy Statement based on information supplied by eSpeed specifically for inclusion or incorporation by reference in the Proxy Statement.

4.25 *No Other Representations or Warranties*. Except for the representations and warranties set forth in this *Article IV*, no representation or warranty of any kind whatsoever, express or implied, at Law or in equity, is made or shall be deemed to have been made by or on behalf of BGC Partners to the other Parties, and BGC Partners hereby disclaims any such representation or warranty, whether by or on behalf of BGC Partners, and notwithstanding the delivery or disclosure to the other Parties, or any of their Representatives or any other Person of any documentation or other Information by such Party or any of its Representatives or any other Person with respect to any one or more of the foregoing.

Table of Contents

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF ESPEED

Except as disclosed in the eSpeed Disclosure Schedule (with specific reference to the Section or subsection of this Agreement to which the information stated in such Disclosure Schedule relates; *provided* that any item on the eSpeed Disclosure Schedule in any one or more sections of the eSpeed Disclosure Schedule shall be deemed disclosed with respect to other sections of this Agreement and all other sections or subsections of the eSpeed Disclosure Schedule solely to that the extent the relevance of such disclosure is readily apparent notwithstanding the absence of a specific cross-reference) or in the eSpeed SEC Documents solely to the extent that the relevance of such disclosure is readily apparent (but excluding, in each case, any disclosures set forth in any risk factor section, in any section relating to forward-looking statements and any other disclosures included in the eSpeed SEC Documents solely to the extent that they are generic, cautionary, predictive or forward-looking in nature, whether or not appearing in such sections), eSpeed hereby represents and warrants to BGC Partners as follows:

5.1 *Corporate Existence and Power*. Each of eSpeed and its Significant Subsidiaries (a) is duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or formation, (b) has all requisite power (corporate, company or limited partnership, as the case may be) and authority to own and operate its property, assets or rights, to lease the property, assets or rights it operates as lessee and to conduct the business in which it is currently engaged and (c) is duly qualified to do business and in good standing under the Laws of each jurisdiction in which its ownership, lease or operation of property, assets or rights or the conduct of its business requires such qualification, except where the failure to be so qualified would not reasonably be expected to have an eSpeed Material Adverse Effect. No jurisdiction, other than those in which such Person is duly qualified, has claimed in writing that eSpeed or any of its Subsidiaries is required to qualify as a foreign corporation or other entity therein.

5.2 *Authorization; No Contravention*. eSpeed has all requisite corporate power and authority to enter into this Agreement and each of the other Transaction Documents and to consummate the Merger and the other transactions contemplated by this Agreement. The execution, delivery and performance by eSpeed of this Agreement and each of the other Transaction Documents to which it will be a party and the transactions contemplated hereby and thereby have been duly authorized and approved by eSpeed, and no corporate, limited partnership or other action on the part of eSpeed is necessary other than the receipt of the affirmative vote of a majority of the votes entitled to be cast by the holders of eSpeed Common Stock, voting together as a single class (the *eSpeed Stockholder Approval*). Except for approval, if required, of the NASD, the applicable stock exchanges or any other SRO having jurisdiction over the transactions contemplated hereby or the Parties, expiration or early termination, as the case may be, of all applicable waiting periods under the HSR Act, receipt of the eSpeed Stockholder Approval, the execution, delivery and performance by eSpeed of this Agreement and each of the other Transaction Documents to which eSpeed is a party and the transactions contemplated hereby and thereby do not violate, conflict with or result in any breach, default or contravention of (or with due notice or lapse of time or both would result in any breach, default or contravention of), or give rise to a right of termination, cancellation or acceleration of any obligation or to the loss of a benefit under, or the creation of any material Lien under, any material Contractual Obligation of eSpeed or its Subsidiaries or any organizational document, instrument or certificate of eSpeed or any of its Subsidiaries or any material Requirement of Law applicable to eSpeed or its Subsidiaries and except for approval of the NASD (if required), expiration or early termination, as the case may be, of all applicable waiting periods under the HSR Act do not violate any Orders of any Governmental Authority against, or binding upon, eSpeed or its Subsidiaries.

5.3 *Governmental Approvals; Third-Party Consents*. Except (a) for such filings and notifications as may be required by the HSR Act and, if necessary, similar foreign competition or Antitrust Laws as set forth in *Schedule 5.3* of the eSpeed Disclosure Schedule, (b) for such filings and notifications as may be required by the HSR Act and, if necessary, similar foreign competition or Antitrust Laws, (c) for any required consent, approval, order or authorization of, or registration, declaration or filing with, the NASD, (d) the filing of the Proxy Statement with the SEC, (e) receipt of the eSpeed Stockholder Approval, (f) the filing of the Certificate of

Table of Contents

Merger, (g) such filings with the NASDAQ Global Market to obtain the authorizations for listing contemplated by this agreement, and (h) for any approval, consent, authorization of filing that if not obtained would not be material to eSpeed or its Subsidiaries (for each of (a) through (h), if required), no approval, consent, compliance, exemption, authorization or other action by, or notice to, or filing with, any applicable stock exchanges, Governmental Authority, quasi-governmental entity or SROs with jurisdiction or supervision over eSpeed or any of its Subsidiaries, no consent or approval of any third parties, and no lapse of a waiting period under any Requirement of Law, is necessary or required in connection with the execution, delivery or performance by, or enforcement against, eSpeed of this Agreement (including, effectiveness of the New Certificate of Incorporation and the Merger), each of the other Transaction Documents to which it will be a party or the transactions contemplated hereby and thereby.

5.4 *Binding Effect*. This Agreement has been duly executed by eSpeed and, as of the Closing Date, each of the other Transaction Documents to which it will be a party shall have been duly executed and delivered by eSpeed, and this Agreement constitutes, and as of the Closing Date each of the other Transaction Documents to which it will be a party shall constitute, the legal, valid and binding obligations of eSpeed, enforceable against eSpeed in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar Laws affecting the enforcement of creditors rights generally and by general principles of equity relating to enforceability (regardless of whether considered in a proceeding at Law or in equity).

5.5 *Litigation*. There are no Claims pending or, to the Knowledge of eSpeed, threatened, at Law, in equity, in arbitration or before any Governmental Authority against eSpeed or any of its Subsidiaries which would be reasonably expected to prevent eSpeed from performing its obligations under this Agreement (including the Merger) or the other Transaction Documents to which it will be a party or consummating the transactions contemplated hereby or thereby. No Order has been issued by any court or other Governmental Authority against eSpeed or any its Subsidiaries purporting to enjoin or restrain the execution, delivery or performance of this Agreement, the Merger or any of the other Transaction Documents to which eSpeed is a party.

5.6 *Capitalization*.

(a) As of May 25, 2007, the authorized capital stock of eSpeed consists of (i) 200,000,000 shares of Class A Common Stock, of which 36,452,117 are issued and 29,949,887 are outstanding, (ii) 100,000,000 shares of Class B Common Stock, of which 20,497,800 are issued and outstanding and (iii) 50,000,000 shares of preferred stock, none of which are issued or outstanding. Except as set forth on *Schedule 5.6(a)* of the eSpeed Disclosure Schedule or issued or issuable pursuant to the 1999 Long-Term Incentive Plan of eSpeed, as amended in 2003, there are no options, warrants, conversion privileges, subscription or purchase rights or other rights outstanding as of May 25, 2007 to purchase or otherwise acquire by or from eSpeed (i) any authorized but unissued, unauthorized or treasury shares of eSpeed s capital stock, (ii) any Stock Equivalents or (iii) any other securities of eSpeed and there are no commitments, Contracts, agreements, arrangements or understandings by eSpeed to issue any shares of eSpeed s capital stock or any Stock Equivalents or other securities of eSpeed. On the Closing Date, all of the issued and outstanding shares of eSpeed Common Stock will be duly authorized, validly issued, fully paid and non-assessable, and will be issued on the basis of a valid exemption from the registration and qualification requirements of all applicable federal, state and foreign securities Laws.

(b) *Schedule 5.6(b)(i)* of the eSpeed Disclosure Schedule sets forth for each of its Subsidiaries, as the case may be, as of the Closing Date, a list of the jurisdiction of organization of such Subsidiary; (ii) the capitalization of such eSpeed Subsidiary. As of the Closing Date, all of the outstanding interests in such eSpeed Subsidiaries will be duly authorized, validly issued, fully paid and non-assessable (if applicable), and will be issued in compliance with the registration and qualification requirements of all applicable federal, state and foreign securities Laws and will be owned free and clear of all Liens, except for immaterial Liens. Except as set forth on *Schedule 5.6(b)(ii)* of the eSpeed Disclosure Schedule, there are no options, warrants, conversion privileges, subscription or purchase rights or other rights presently outstanding issued or granted by eSpeed or any of its

Table of Contents

Subsidiaries to purchase or otherwise acquire any authorized but unissued, unauthorized or treasury shares of capital stock or other securities of, or any proprietary interest in, any of the Subsidiaries of eSpeed, and there is no outstanding security of any kind issued or granted by eSpeed or any of its Subsidiaries convertible into or exchangeable for such shares or proprietary interest in any such entity.

5.7 *eSpeed SEC Documents*. eSpeed has timely filed all reports, schedules, forms, statements and other documents (including exhibits and other information incorporated therein) with the SEC required to be filed by eSpeed since January 1, 2004 (such documents, together with any documents filed during such period by eSpeed to the SEC on a voluntary basis on Current Reports on Form 8-K, the *eSpeed SEC Documents*). As of their respective filing dates, eSpeed SEC Documents complied in all material respects with, to the extent in effect at the time of filing, the requirements of the Securities Act, the Exchange Act and the Sarbanes-Oxley Act of 2002 (including the rules and regulations promulgated thereunder, *SOX*) applicable to such eSpeed SEC Documents. Except to the extent that information contained in any eSpeed SEC Document has been revised, amended, supplemented or superseded by a later-filed eSpeed SEC Document that has been filed prior to the date of this Agreement, as of their respective filing dates, none of eSpeed SEC Documents contains any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, which individually or in the aggregate would require an amendment, supplement or correction to such eSpeed SEC Documents. Each of the financial statements (including the related notes) of eSpeed included in eSpeed SEC Documents complied at the time it was filed as to form in all material respects with the applicable accounting requirements and the published rules and regulations of the SEC with respect thereto in effect at the time of such filing, had been prepared in accordance with U.S. GAAP (except, in the case of unaudited statements, as permitted by the rules and regulations of the SEC) applied on a consistent basis during the periods involved (except as may be indicated in the notes thereto) and fairly presented in all material respects the consolidated financial position of eSpeed and its consolidated Subsidiaries as of the dates thereof and the consolidated results of their operations and cash flows for the periods then ended (subject, in the case of unaudited statements, to normal year-end audit adjustments). None of the Subsidiaries of eSpeed are, or have at any time since January 1, 2004 been, subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act.

5.8 *No Undisclosed Liabilities*. Except as set forth on *Schedule 5.8* of the eSpeed Disclosure Schedule, neither eSpeed nor any of its Subsidiaries has any direct or indirect Liabilities that would be required to be disclosed in the liability column of a balance sheet prepared in accordance with U.S. GAAP, other than (a) Liabilities fully and adequately reflected in or reserved against on the latest audited balance sheet included in the eSpeed SEC Documents, (b) Liabilities incurred since December 31, 2006 in the ordinary course of business, (c) Liabilities that are permitted or are contemplated by this Agreement, (d) Liabilities that have been discharged or paid off, (e) Liabilities that would not reasonably be expected to have an eSpeed Material Adverse Effect, and (f) Liabilities with respect to any Contractual Obligation entered into by eSpeed or any of its Subsidiaries (other than any Contractual Obligation that eSpeed failed to disclose to BGC Partners in breach of any representation or warranty under this *Article V*).

5.9 *Broker s, Finder s or Similar Fees*. Except as set forth on *Schedule 5.9* of the eSpeed Disclosure Schedule, there are no brokerage commissions, finder s fees or similar fees or commissions payable by eSpeed or any of its Subsidiaries in connection with the transactions contemplated by this Agreement.

5.10 *Proxy Statement*. None of the information supplied or to be supplied by eSpeed or any of its Subsidiaries specifically for inclusion or incorporation by reference in the Proxy Statement relating to the eSpeed Stockholder Meeting will, (i) when filed, at any time it is amended or supplemented or at the time it becomes effective contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading or (ii) at the date the Proxy Statement is first mailed to the stockholders of eSpeed or at the time of the eSpeed Stockholder Meeting contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The Proxy

Table of Contents

Statement will comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder. Notwithstanding the foregoing, no representation or warranty is made by eSpeed with respect to statements made or incorporated by reference in the Proxy Statement based on information supplied by Cantor or BGC Partners specifically for inclusion or incorporation by reference in the Proxy Statement.

5.11 *No Other Representations or Warranties*. Except for the representations and warranties set forth in this *Article V*, no representation or warranty of any kind whatsoever, express or implied, at Law or in equity, is made or shall be deemed to have been made by or on behalf of eSpeed to the other Parties, and eSpeed hereby disclaims any such representation or warranty, whether by or on behalf of eSpeed, and notwithstanding the delivery or disclosure to the other Parties, or any of their Representatives or any other Person of any documentation or other Information by such Party or any of its Representatives or any other Person with respect to any one or more of the foregoing.

ARTICLE VI

REPRESENTATIONS AND WARRANTIES OF CANTOR,

U.S. OPCO, GLOBAL OPCO AND HOLDINGS

Except as disclosed in the Cantor Disclosure Schedule (with specific reference to the Section or subsection of this Agreement to which the information stated in such Disclosure Schedule relates; *provided* that any item on the Cantor Disclosure Schedule in any one or more sections of the Cantor Disclosure Schedule shall be deemed disclosed with respect to other sections of this Agreement and all other sections or subsections of the Cantor Disclosure Schedule solely to the extent the relevance of such disclosure is readily apparent notwithstanding the absence of a specific cross-reference), Cantor, U.S. Opco, Global Opco and Holdings each represents and warrants to eSpeed with respect to itself as follows:

6.1 *Corporate Existence and Power*. Each of Cantor, U.S. Opco, Global Opco and Holdings (a) is duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or formation, (b) has all requisite power (corporate, company or limited partnership, as the case may be) and authority to own and operate its property, assets or rights, to lease the property, assets or rights it operates as lessee and to conduct the business in which it is currently engaged and (c) except as set forth on *Schedule 6.1(c)* of the Cantor Disclosure Schedule is duly qualified to do business and in good standing under the Laws of each jurisdiction in which its ownership, lease or operation of property, assets or rights or the conduct of its business requires such qualification, except where the failure to be so qualified would not reasonably be expected to have a BGC Material Adverse Effect. No jurisdiction, other than those in which such Person is duly qualified, has claimed in writing that U.S. Opco, Global Opco or Holdings or any of their Subsidiaries is required to qualify as a foreign corporation or other entity therein. Cantor has made available complete and correct copies of the organizational documents of each of U.S. Opco, Global Opco and Holdings, in each case as amended to the date of this Agreement.

6.2 *Authorization; No Contravention*. Each of Cantor, U.S. Opco, Global Opco and Holdings has all requisite power and authority to enter into this Agreement and each of the other Transaction Documents and to consummate the Merger and the other transactions contemplated by this Agreement. The execution, delivery and performance by each of Cantor, U.S. Opco, Global Opco and Holdings of this Agreement and each of the other Transaction Documents to which it will be a party and the transactions contemplated hereby and thereby have been duly authorized and approved by Cantor, U.S. Opco, Global Opco and Holdings, and no corporate, limited partnership or other action on the part of Cantor, U.S. Opco, Global Opco or Holdings is necessary. Except for approval of the NASD, any applicable stock exchanges or any other SRO having jurisdiction over the transactions contemplated hereby or the parties (in each case, if required), expiration or early termination, as the case may be, of all applicable waiting periods under the HSR Act, the execution, delivery and performance by each of Cantor, U.S. Opco, Global Opco and Holdings of this Agreement and each of the other Transaction Documents to which it will be a party and the transactions contemplated hereby and thereby do not violate,

Table of Contents

conflict with or result in any breach, default or contravention of (or with due notice or lapse of time or both would result in any breach, default or contravention of), or give rise to a right of termination, cancellation or acceleration of any obligation or to the loss of a benefit under, or the creation of any material Lien under, any material Contractual Obligation of Cantor, U.S. Opco, Global Opco or Holdings, any organizational document, instrument or certificate of Cantor, U.S. Opco, Global Opco or Holdings or any Requirement of Law applicable to it and except for approval of the NASD (if required), expiration or early termination, as the case may be, of all applicable waiting periods under the HSR Act do not violate any Orders of any Governmental Authority against, or binding upon, Cantor, U.S. Opco, Global Opco or Holdings.

6.3 *Governmental Approvals; Third-Party Consents*. Except (a) for such filings and notifications as may be required by the HSR Act and, if necessary, similar foreign competition or Antitrust Laws, (b) for such filings and notifications as may be required by the HSR Act and, if necessary, similar foreign competition or Antitrust Laws, (c) for any required consent, approval, order or authorization of, or registration, declaration or filing with, and (d) for any approval, consent, authorization of filing that if not obtained would not be material to U.S. Opco, Global Opco or Holdings (for each of (a) through (d), if required), no approval, consent, compliance, exemption, authorization or other action by, or notice to, or filing with, any applicable stock exchange, Governmental Authority, quasi-governmental entities or SROs having jurisdiction or supervision over BGC Partners or any of its Subsidiaries, Cantor, U.S. Opco, Global Opco or Holdings, and no lapse of a waiting period under any Requirement of Law, is necessary or required in connection with the execution, delivery or performance by, or enforcement against, Cantor, U.S. Opco, Global Opco and Holdings of this Agreement, each of the other Transaction Documents to which will be a party or the transactions contemplated hereby and thereby.

6.4 *Binding Effect*. This Agreement has been duly executed by each of Cantor, U.S. Opco, Global Opco and Holdings and, as of the Closing Date, each of the other Transaction Documents to which Cantor, U.S. Opco, Global Opco or Holdings is a party shall have been duly executed and delivered by Cantor, U.S. Opco, Global Opco or Holdings, as applicable, and this Agreement constitutes, and as of the Closing Date each of the other Transaction Documents to which it will be a party shall constitute, the legal, valid and binding obligations of each of Cantor, U.S. Opco, Global Opco and Holdings, enforceable against it in accordance with their terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or similar Laws affecting the enforcement of creditors rights generally and by general principles of equity relating to enforceability (regardless of whether considered in a proceeding at Law or in equity).

6.5 *Litigation*. There are no Claims pending or, to the Knowledge of BGC Partners, threatened, at Law, in equity, in arbitration or before any Governmental Authority against any of Cantor, U.S. Opco, Global Opco or Holdings which would be reasonably expected to prevent Cantor, U.S. Opco, Global Opco or Holdings from performing its obligations under this Agreement or the other Transaction Documents to which will be is a party or consummating the transactions contemplated hereby or thereby. No order has been issued by any court or other Governmental Authority against any of Cantor, U.S. Opco or Holdings or any of their Subsidiaries purporting to enjoin or restrain the execution, delivery or performance of this Agreement, the Merger or any of the other Transaction Documents to which any of Cantor, U.S. Opco, Global Opco or Holdings is a party.

6.6 *Capitalization*. As of immediately prior to the Effective Time, (i) the authorized equity of U.S. Opco shall consist of (A) U.S. Opco Limited Partnership Interests consisting of 300,000,000 Units, of which 111,890,929 Units shall be issued and outstanding; and (B) one U.S. Opco General Partnership Interest consisting of 1 Unit, which Unit shall be issued and outstanding; (ii) the authorized equity of Global Opco shall consist of (A) Global Opco Limited Partnership Interests consisting of 300,000,000 Units, of which 111,890,929 Units shall be issued and outstanding; and (iii) the authorized equity of Holdings shall consist of (A) Holdings Limited Partnership Interests consisting of 300,000,000 Units, of which 111,890,929 Units shall be issued and outstanding (including 77,797,939 Units underlying Holdings Exchangeable Limited Partnership Interests and 34,092,996 Units underlying Holdings Founding Partner Interests). As of immediately prior to the Effective Time, and except as set forth in this Agreement, the Separation Agreement or the Transaction Documents, there

Table of Contents

shall be no options, warrants, conversion privileges, subscription or purchase rights or other rights outstanding to purchase or otherwise acquire by or from U.S. Opco, Global Opco or Holdings any authorized but unissued limited partnership or general partnership interests in U.S. Opco, Global Opco or Holdings. On the Closing Date, all of the issued and outstanding U.S. Opco Limited Partnership Interests, the U.S. Opco General Partnership Interest, the Global Opco Limited Partnership Interests, the Global Opco General Partnership Interest, the Holdings General Partner Interest, and the Holdings Limited Partnership Interest shall be duly authorized and validly issued, and will be issued on the basis of a valid exemption from the registration and qualification requirements of all applicable federal, state and foreign securities Laws.

6.7 *Broker s, Finder s or Similar Fees*. There are no brokerage commissions, finder s fees or similar fees or commissions payable by Cantor or any of its Subsidiaries in connection with the transactions contemplated by this Agreement.

6.8 *Proxy Statement*. None of the information supplied or to be supplied by any of Cantor, U.S. Opco, Global Opco or Holdings specifically for inclusion or incorporation by reference in the Proxy Statement relating to the eSpeed Stockholder Meeting will, (i) when filed, at any time it is amended or supplemented or at the time it becomes effective contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein not misleading or (ii) at the date the Proxy Statement is first mailed to the stockholders of eSpeed or at the time of the eSpeed Stockholder Meeting contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. The Proxy Statement will comply as to form in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder. Notwithstanding the foregoing, no representation or warranty is made by any of Cantor, U.S. Opco, Global Opco or Holdings with respect to statements made or incorporated by reference in the Proxy Statement based on information supplied by BGC Partners or eSpeed specifically for inclusion or incorporation by reference in the Proxy Statement.

6.9 *No Other Representations or Warranties*. Except for the representations and warranties set forth in this *Article VI*, no representation or warranty of any kind whatsoever, express or implied, at Law or in equity, is made or shall be deemed to have been made by or on behalf of any of Cantor, U.S. Opco, Global Opco or Holdings to the other Parties, and each of Cantor, U.S. Opco, Global Opco and Holdings hereby disclaims any such representation or warranty, whether by or on behalf of it, and notwithstanding the delivery or disclosure to the other Parties, or any of their Representatives or any other Person of any documentation or other Information by such Party or any of its Representatives or any other Person with respect to any one or more of the foregoing.

ARTICLE VII

COVENANTS

7.1 *Conduct of Business*.

(a) *Conduct of Business of BGC Business*. Except as contemplated by this Agreement (including, for the avoidance of doubt, the Conversion, *Section 7.7* or *Schedule 7.1* of the BGC Partners Disclosure Schedule), or with the prior written consent of eSpeed, which consent shall not be unreasonably withheld or delayed, or as contemplated by the Separation, during the period from the date of this Agreement to the earlier of the Closing Date or termination of this Agreement in accordance with its terms, Cantor and BGC Partners shall conduct the BGC Business in the ordinary course of business consistent with past practice and shall use commercially reasonable efforts to preserve intact the business organization of the BGC Business and to preserve the goodwill of customers, suppliers and all other Persons having business relationships with the BGC Business. Without limiting the generality of the foregoing, and except as otherwise contemplated by this Agreement, the Separation, the Separation Agreement, the Conversion and the Merger, prior to the Closing Date, Cantor and BGC Partners

Table of Contents

shall not with respect to the BGC Business do any of the following without the prior written consent of eSpeed s Special Committee, which consent shall not be unreasonably withheld or delayed:

(i) engage in any material transaction (including, capital expenditures) out of the ordinary course of business that would require expenditures by the Opcos after the Closing in excess of $10 million per annum or $20 million in the aggregate;

(ii) issue, reissue, sell, grant, pledge or otherwise encumber or authorize the issuance, reissuance, sale, grant, pledge or other encumbrance of shares of capital stock of BGC Partners or equity interests in the Opcos (or Holdings if it would adversely affect the Surviving Corporation s economic or governance rights in Holdings) or any class, or securities convertible into capital stock of any class of BGC Partners or equity interests in the Opcos (or Holdings if it would adversely affect the Surviving Corporation s economic or governance rights in Holdings), or any rights, warrants or options to acquire any convertible securities or capital stock of BGC Partners or equity interests in the Opcos (or Holdings if it would adversely affect the Surviving Corporation s economic or governance rights in Holdings);

(iii) except in the ordinary course of business consistent with past practice, sell, lease, encumber or otherwise surrender, relinquish, dispose of, transfer, exclusively license, mortgage, pledge or grant any Lien on any material Assets, properties or rights (including capital stock of any of its Subsidiaries) except to the extent they are used, retired or replaced in the ordinary course of business;

(iv) declare, set aside or pay any dividends on or make any other distributions (whether in case, stock or property) in respect of any of its capital stock, other than (A) cash dividends or (B) dividends or distributions declared, set aside, paid or made by a direct or indirect wholly owned Subsidiary to BGC Partners or a wholly owned Subsidiary of BGC Partners, or (y) adjust, split, combine or reclassify any of its capital stock or issue or propose or authorize the issuance of any other securities (including options, warrants, or any similar security exercisable for, or convertible into, such other security) in respect of, in lieu of or in substitution for shares of its capital stock;

(v) enter into transactions with Affiliates of BGC Partners or any of its Subsidiaries (other than transactions (A) in the ordinary course of business, (B) set forth on *Schedule 7.1(a)(iv)* or (C) on arm s length terms having a value of $500,000 or less);

(vi) knowingly take any action or omit to take any action or enter into any transaction which has, or would reasonably be expected to have, the effect of materially delaying or otherwise materially impeding the consummation of the transactions contemplated by this Agreement and each of the other Transaction Documents;

(vii) except in the ordinary course of business consistent with past practice, (i) enter into, modify, amend or terminate any Material Contract, (ii) enter into any successor agreement to an expiring Material Contract that changes the terms of the expiring Material Contract or (iii) enter into, modify, amend or terminate any new agreement that would have been considered a Material Contract if it were entered into at or prior to the date hereof, in each of cases (i), (ii) and (iii) if the effect of such action would be materially adverse to BGC Partners and its Subsidiaries, taken as a whole;

(viii) incur any indebtedness for borrowed money on terms that are not on an arm s length basis;

(ix) merge or consolidate with any other Person;

(x) change any significant method of accounting or accounting principles or practices by BGC Partners or any of its Subsidiaries, except for such changes required by U.S. GAAP;

(xi) terminate, cancel, amend or modify any material insurance policies maintained by it covering BGC Partners or any of its Subsidiaries or their respective properties which is not replaced by a comparable amount of insurance coverage;

(xii) adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization of BGC Partners or any of its Subsidiaries;

Table of Contents

(xiii) other than with respect to the Special Item, institute, compromise, settle or agree to settle any Claims (A) involving amounts in excess of $100,000 individually or $500,000 in the aggregate for which the Surviving Corporation would be responsible after the Closing or (B) that would impose any material, non-monetary obligation on the Transferred Business that would continue after the Effective Time; or

(xiv) authorize or enter into any agreement or otherwise make any commitment to do any of the foregoing.

(b) *Conduct of Business of eSpeed*. Except as contemplated by this Agreement (including, for the avoidance of doubt, transactions contemplated by *Schedule 7.1* of the eSpeed Disclosure Schedule), or with the prior written consent of Cantor, which consent shall not be unreasonably withheld or delayed, during the period from the date of this Agreement to the earlier of the Closing Date or termination of this Agreement in accordance with its terms, eSpeed shall (and shall cause each of its Subsidiaries to) conduct its and its Subsidiaries operations only in the ordinary course of business consistent with past practice and shall (and shall cause each of its Subsidiaries to) use its commercially reasonable efforts to preserve intact the business organization of eSpeed and its Subsidiaries and to preserve the goodwill of customers, suppliers and all other Persons having business relationships with eSpeed and its Subsidiaries. In addition, eSpeed shall take the actions set forth on *Schedule 7.1* of the eSpeed Disclosure Schedule during such period. Without limiting the generality of the foregoing, and except as otherwise contemplated by this Agreement and the Merger, prior to the Closing Date, eSpeed shall not (and shall cause each of its Subsidiaries not to) do any of the following without the prior written consent of Cantor, which consent shall not be unreasonably withheld or delayed:

(i) adopt or propose any change in its organizational documents;

(ii) engage in any material transaction (including, capital expenditures) out of the ordinary course of business that would require expenditures by the Opcos after the Closing in excess of $10 million per annum or $20 million in the aggregate;

(iii) issue, reissue, sell, grant, pledge or otherwise encumber, or authorize the issuance, reissuance, sale, grant, pledge or other encumbrance of shares of capital stock of eSpeed, or securities convertible into capital stock of any class of eSpeed, or any rights, warrants or options to acquire any convertible securities or capital stock of eSpeed;

(iv) except in the ordinary course of business consistent with past practice, sell, lease, encumber or otherwise surrender, relinquish, dispose of, transfer, exclusively license, mortgage, pledge or grant any Lien on any material Assets, properties or rights (including the capital stock of its Subsidiaries) except to the extent they are used, retired or replaced in the ordinary course of business;

(v) declare, set aside or pay any dividends on, or make any other distributions (whether in cash, stock or property) in respect of, any of its capital stock, other than dividends or distributions declared, set aside, paid or made by a direct or indirect wholly owned Subsidiary of eSpeed to eSpeed or a wholly owned Subsidiary of eSpeed, (y) adjust, split, combine or reclassify any of its capital stock or issue or propose or authorize the issuance of any other securities (including options, warrants, or any similar security exercisable for or convertible into, such other security) in respect of, in lieu of or in substitution for shares of its capital stock or (z) purchase, redeem or otherwise acquire any shares of its capital stock or the capital stock of any of its Subsidiaries or any other securities thereof or any rights, warrants or options to acquire any such shares or other securities, except for purchases, redemptions or other acquisitions of capital stock or other securities pursuant to an existing restricted stock purchase agreement with current or former employees;

(vi) make, change or revoke any material Tax election, file any material amended Tax return, settle or compromise any material claim for Taxes, change any method of Tax accounting, enter into any closing agreement with respect to Taxes or make or surrender any material claim for a refund of Taxes;

(vii) knowingly take any action or omit to take any action or enter into any transaction which has, or would reasonably be expected to have, the effect of materially delaying or otherwise materially impeding the consummation of the transactions contemplated by this Agreement and each of the other Transaction Documents;

Table of Contents

(viii) except in the ordinary course of business consistent with past practice, (i) enter into, modify, amend or terminate any material Contract, (ii) enter into any successor agreement to an expiring material Contract that changes the terms of the expiring material Contract or (iii) enter into, modify, amend or terminate any new agreement that would have been considered a material Contract if it were entered into at or prior to the date hereof, in each of cases (i), (ii) and (iii) if the effect of such action would be materially adverse to eSpeed and its Subsidiaries, taken as a whole;

(ix) incur any indebtedness for borrowed money in excess of $10 million in the aggregate or issue any debt securities or assume, guarantee or endorse, or otherwise as an accommodation become responsible for or cancel, the obligations of any Person (other than its wholly-owned Subsidiaries) for borrowed money or make or authorize any material loan to any Person (other than a Subsidiary of the Company);

(x) merge or consolidate with any other Person or acquire an amount of assets or equity of an other Person in excess of $25 million;

(xi) change any significant method of accounting or accounting principles or practices by eSpeed or any of its Subsidiaries, except for such changes required by U.S. GAAP;

(xii) terminate, cancel, amend or modify any material insurance policies maintained by it covering eSpeed or any of its Subsidiaries or their respective properties which is not replaced by a comparable amount of insurance coverage;

(xiii) adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization of eSpeed or any of its Subsidiaries;

(xiv) change any method of accounting or accounting principles or practices by eSpeed or any of its Subsidiaries, except for such changes required by U.S. GAAP;

(xv) terminate, cancel, amend or modify any material insurance policies maintained by it covering eSpeed or any of its Subsidiaries or their respective properties which is not replaced by a comparable amount of insurance coverage;

(xvi) adopt a plan of complete or partial liquidation, dissolution, restructuring, recapitalization or other reorganization of eSpeed or any of its Subsidiaries;

(xvii) institute, compromise, settle or agree to settle any Claims (a) involving amounts in excess of $100,000 individually or $500,000 in the aggregate for which eSpeed would be responsible after the Closing or (b) that would impose any material, non-monetary obligation on eSpeed that would continue after the Effective Time; or

(xviii) authorize or enter into any agreement or otherwise make any commitment to do any of the foregoing.

7.2 *Efforts*.

(a) Each of the Parties agrees to use its reasonable best efforts to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable to consummate and make effective as promptly as practicable the transactions contemplated hereby, including the Merger, and to cooperate with the other in connection with the foregoing, including using its reasonable best efforts (i) to obtain all consents, approvals, rulings or authorizations that are required to be obtained under any Requirement of Law, (ii) to obtain any consents required from third parties in connection with the consummation of the transactions contemplated by this Agreement, (iii) to lift or rescind any injunction or restraining order or other order adversely affecting the ability of the Parties hereto to consummate the transactions contemplated hereby, including the Merger, (iv) to effect as promptly as practicable all necessary registrations, filings and responses to requests for additional Information or documentary material from a Governmental Authority, if any, (v) to fulfill all conditions to this Agreement (including ensuring that the Estimated Closing Net Equity and Estimated Closing Cash shall be equal to or greater than equal to or greater than the Target Closing Net Equity and Target Closing Cash, and that the

Table of Contents

Estimated Closing Indebtedness is equal to or less than the Target Closing Indebtedness) and (vi) in the event that eSpeed waives the condition set forth in *Section 8.2(c)*, to ensure that as promptly as practicable after Closing, (A) the Closing Net Equity (excluding the net equity of eSpeed as of immediately prior to the Closing), shall be equal to or greater than the Target Closing Net Equity, (B) the Closing Cash (excluding the cash, cash equivalents and marketable securities of eSpeed as of immediately prior to the Closing), shall be equal to or greater than the Target Closing Cash and (C) the aggregate Closing Indebtedness (excluding the Indebtedness of eSpeed as of immediately prior to the Closing) shall be equal to or less than the Target Closing Indebtedness. Notwithstanding anything to the contrary in this Agreement, in connection with any filing or submission required or action to be taken by the Parties to consummate the Merger and the other transactions contemplated by this Agreement, in no event shall the Parties or any of their Subsidiaries or Affiliates be obligated to propose or agree to accept any undertaking or condition, to enter into any consent decree, to make any divestiture or accept any operational restriction, or take or commit to take any action (x) the effectiveness or consummation of which is not conditional on the consummation of the Merger or (y) that individually or in the aggregate is or would reasonably be expected to be materially adverse (with materiality, for purposes of this provision, being measured in relation to the size of eSpeed and its Subsidiaries taken as a whole) to eSpeed and its Subsidiaries or BGC Partners and its Subsidiaries, either before or after giving effect to the Merger (a *Burdensome Condition*).

(b) Further, and without limiting the generality of the rest of this *Section 7.2*, each of the Parties shall promptly (i) furnish to the other such necessary Information and reasonable assistance as the other Party may request in connection with the foregoing, (ii) inform the other of any communication from any Governmental Authority regarding any of the transactions contemplated hereby, and (iii) provide counsel for the other Party with copies of all filings made by such Party, and all correspondence between such Party (and its advisors) with any Governmental Authority and any other Information supplied by such Party and such Party s Subsidiaries to a Governmental Authority or received from such a Governmental Authority in connection with the transactions contemplated hereby and as necessary to comply with contractual arrangements. The Parties shall, subject to Applicable Law, permit the counsel to the other Parties to review in advance, and consider in good faith the views of such other Parties in connection with, any proposed written communication to any Governmental Authority in connection with the transactions contemplated hereby.

7.3 *Transaction Documents; Termination of the Joint Services Agreement*.

(a) On or prior to the Closing Date, the Parties will, or will cause their applicable Subsidiaries to, enter into and execute the Transaction Documents other than this Agreement.

(b) The Parties agree that, effective as of the Effective Time, the Surviving Corporation shall assume all of the rights and obligations of BGC Partners under the Separation Agreement and the Ancillary Agreements, and shall execute such agreements, documents or instruments as is necessary to effect the assumption of these rights and obligations.

(c) Concurrently with the Effective Time, each of (i) the Joint Services Agreement, (ii) the Administrative Services Agreement dated as of December 15, 1999 by and among Cantor Fitzgerald, L.P., Cantor Fitzgerald International, eSpeed, Inc., eSpeed Securities, Inc., eSpeed Markets, Inc. and eSpeed Securities International Limited, and (iii) the CO2e.com/eSpeed Services Agreement, dated as of October 1, 2002, by and between eSpeed and CO2e.com, LLC, shall automatically terminate.

7.4 *License*. The Surviving Corporation for itself and on behalf of its Subsidiaries that own any right, title or interest in the software, technology and Intellectual Property that Cantor or its Subsidiaries (a) owned and contributed to BGC Partners pursuant to the Separation Agreement or (b) Cantor had a right to use, or that was used by eSpeed for or on behalf of Cantor and its Subsidiaries, prior to the Effective Time under the Joint Services Agreement (other than any software, technology or Intellectual Property exclusively used by eSpeed as of the date of this Agreement for fully electronic brokerage of U.S. Treasuries and foreign exchange) shall grant Cantor and its Subsidiaries, effective as of the Effective Time, a non-exclusive, perpetual, irrevocable,

Table of Contents

worldwide, non-transferable (except as described below), and royalty-free license (the *License*) to all such software, technology and Intellectual Property in connection with the operation of the business of Cantor and its Subsidiaries on and after the Closing Date. Notwithstanding the foregoing, the License shall not constitute an assignment or transfer of any software, technology or Intellectual Property owned by a third party if both (a) such assignment or transfer would be ineffective or would constitute a default under, or other contravention of, the provisions of a Contract without the approval or consent of a third party, and (b) such approval or consent is not obtained; *provided*, *however*, that the Surviving Corporation agrees to use its commercially reasonable efforts to obtain any such approval or consent (it being understood that such efforts shall not require the Surviving Corporation to pay to the third party any compensation or other remuneration to obtain such approval or consent). Any enhancements and upgrades of the software, technology and Intellectual Property provided under the License shall be provided free of charge to any licensee under the License for one year following the Closing Date. The License shall not be transferable except to any purchaser of (a) all or substantially all of the business or assets of Cantor or its Subsidiaries; or (b) a business, division or subsidiary of Cantor or its Subsidiaries pursuant to a *bona fide* acquisition of a line of business of Cantor or its Subsidiaries; *provided*, *further*, that, as a condition to any transfer pursuant to clause (b) of this sentence, (i) such purchaser must agree not to use the software, technology and Intellectual Property provided under the License (or grant any right or authority to any other Person to use the software, technology and Intellectual Property provided under the License) to create a fully electronic brokerage system that competes with eSpeed s fully electronic systems for U.S. Treasuries and foreign exchange; (ii) BGC Partners shall be a third-party beneficiary of the transferee s agreement under clause (i); and (iii) Cantor shall enforce its rights against the purchaser to the extent that it breaches its obligations under clause (i). Cantor agrees that neither Cantor nor its Subsidiaries shall use the License (or grant any right or authority to any other Person to use the software, technology and Intellectual Property provided under the License) to create a fully electronic brokerage system that competes with eSpeed s fully electronic systems for U.S. Treasuries and foreign exchange.

7.5 *Corporate Governance Matters.*

(a) From and after the Closing Date until six months after Cantor and its Subsidiaries cease to hold 5% of the Surviving Corporation s voting power, transactions or arrangements between the Surviving Corporation and Cantor and their Subsidiaries shall be subject to prior approval by a majority of the Board of Directors of the Surviving Corporation that the Surviving Corporation has found qualify as independent in accordance with the published listing requirements of the NASDAQ Global Market.

(b) From and after the Closing Date until six months after Cantor and its Subsidiaries cease to hold 5% of the Surviving Corporation s voting power, neither Cantor or its Affiliates, on the one hand, nor the Surviving Corporation and its Affiliates, on the other hand, shall, directly or indirectly, without the other Party s prior written consent, employ or otherwise engage any officer or employee of the other Party; *provided*, *however*, that such Party may employ or otherwise engage any Person who responds to a general solicitation for employment; *provided*, *further*, *however*, that Cantor or its Subsidiaries may hire any persons employed by eSpeed or its Subsidiaries who are not brokers and who devote a substantial portion of their time to Cantor or Cantor-related matters or who manage or supervise any such employee (*provided* that Cantor and its Subsidiaries may not hire any such person if, as a result and without hiring additional personnel, BGC Partners and its Subsidiaries would not be able to continue to maintain and develop their Intellectual Property in a manner consistent with past practice). Cantor and its Subsidiaries shall provide a list of such persons promptly following the Closing Date).

7.6 *Exchange Listing*. eSpeed will use reasonable best efforts to cause the shares of eSpeed Common Stock to be issued in the Merger and shares reserved for issuance pursuant to the exchange of eSpeed Class B Common Stock, Holdings Exchangeable Limited Partnership Interests and, if applicable, the Holdings Founding Partner Interests to be approved for listing on the NASDAQ Global Market, subject to official notice of issuance, as promptly as practicable, and in any event before the Effective Time.

Table of Contents

7.7 *Loan from eSpeed*. At the request of Cantor, eSpeed shall fund the Pre-Contribution Loan (as defined in the Separation Agreement) on or prior to the Closing Date (as defined in the Separation Agreement). Any amounts borrowed from eSpeed pursuant to this *Section 7.7* shall be repaid in full on the Closing Date.

7.8 *Preparation of Proxy Statement; eSpeed Stockholder Meeting.*

(a) As promptly as practicable after the date of this Agreement, eSpeed shall prepare and file with the SEC the proxy statement (as amended or supplemented from time to time, the *Proxy Statement*) to be sent to the stockholders of eSpeed relating to the meeting of the eSpeed stockholders (the *eSpeed Stockholder Meeting*) to be held to consider adoption of this Agreement. Cantor, BGC Partners, U.S. Opco, Global Opco and Holdings shall furnish all information as may be reasonably requested by eSpeed in connection with any such action and the preparation, filing and distribution of the Proxy Statement, and each of Cantor, BGC Partners, U.S. Opco, Global Opco and Holdings, and its legal, financial and accounting advisors shall have the right to review in advance and approve the Proxy Statement prior to its filing and mailing to stockholders. As promptly as practicable following the earliest date on which it is permitted under the applicable SEC rules and regulations to do so (or, if later, the date on which any SEC staff comments on the Proxy Statement have been resolved), eSpeed shall use its reasonable best efforts to cause the Proxy Statement to be mailed to its stockholders. No filing of, or amendment or supplement to, the Proxy Statement will be made by eSpeed, without providing Cantor and BGC Partners a reasonable opportunity to review and comment thereon. If at any time prior to the Effective Time any information relating to the any of the Parties should be discovered by any Party which should be set forth in an amendment or supplement to the Proxy Statement, so that such document would not include any misstatement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, the Party that discovers such information shall promptly notify the other Parties hereto and an appropriate amendment or supplement describing such information shall be promptly filed with the SEC and, to the extent required by Law, disseminated to the stockholders of eSpeed. eSpeed shall notify Cantor and BGC Partners promptly of the receipt of any comments from the SEC or the staff of the SEC and of any request by the SEC or the staff of the SEC for amendments or supplements to the Proxy Statement or for additional information.

(b) eSpeed shall use reasonable best efforts to cause the Proxy Statement to be mailed to the eSpeed stockholders and shall take, in accordance with Applicable Law and its certificate of incorporation and bylaws, all action necessary to convene the eSpeed Stockholder Meeting on a date determined in accordance with the mutual agreement of BGC Partners and eSpeed. The Board of Directors of eSpeed and the eSpeed Special Committee shall recommend that the eSpeed stockholders adopt this Agreement, and shall take all lawful action to solicit such adoption and approval. Notwithstanding the foregoing, in the event that subsequent to the date of this Agreement, the Board of Directors of eSpeed or the eSpeed Special Committee determines in good faith after consultation with outside counsel that its fiduciary duties to eSpeed or its stockholders under Applicable Law require it to withdraw, revoke, modify or qualify its recommendation, the Board of Directors of eSpeed and the eSpeed Special Committee may do so; *provided*, *however*, that, unless this Agreement is earlier terminated in accordance with its terms, eSpeed s obligation to convene the eSpeed Stockholder Meeting in accordance with this *Section 7.8* shall not be limited to or otherwise affected by any such change in recommendation. So long as the Board of Directors of eSpeed and the eSpeed Special Committee recommend in favor of the adoption of this Agreement, at every eSpeed Stockholder Meeting called with respect to the adoption of this Agreement and at every adjournment and postponement thereof, Cantor and its each of its Subsidiaries shall vote or cause to be voted all shares of eSpeed Common Stock owned by it or its Subsidiaries in favor of the adoption of this Agreement.

7.9 *Public Announcements*. Cantor and the eSpeed Special Committee have agreed upon the text of a press release to be issued with respect to the execution of this Agreement, the other Transaction Documents and the transactions contemplated hereby and thereby. None of Cantor, eSpeed, or the eSpeed Special Committee shall issue or cause the publication of any other press release or other public announcement with respect to this Agreement, the other Transaction Documents or the transactions contemplated hereby and thereby without prior

Table of Contents

consultation with of eSpeed (in the case of Cantor) or Cantor (in the case of eSpeed and the eSpeed Special Committee), except as may be required by law or any listing agreement with a national securities exchange to which Cantor or eSpeed is a party.

7.10 *Notification of Certain Matters*. BGC Partners and Cantor shall give prompt notice to eSpeed and eSpeed shall give prompt notice to BGC Partners and Cantor, of the occurrence, or failure to occur, of any event which occurrence or failure to occur would cause (a) any representation or warranty contained in this Agreement to be untrue or inaccurate in any material respect or (b) a material failure of BGC Partners or Cantor, on the one hand, or eSpeed, on the other hand, as the case may be, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by it under this Agreement; *provided*, *however*, that no such notification shall affect the representations and warranties of any of the Parties or the conditions to the performance by the Parties hereunder; *provided*, *further*, that the failure to comply with this covenant shall not result in a non-satisfaction of either the condition in *Section 8.2(b)* or *8.3(b).*

7.11 *Actions Post-Signing*. Cantor shall not have the right to claim under this Agreement that eSpeed has breached any representation, warranty, covenant or other agreement of eSpeed contained in any Transaction Document to the extent that such breach was caused by Cantor.

ARTICLE VIII

CONDITIONS TO THE MERGER

8.1 *Conditions to Each Party s Obligation to Effect the Merger*. The respective obligations of BGC Partners and eSpeed to consummate the Merger is subject to the fulfillment or, to the extent permitted by Applicable Law, waiver by Cantor and eSpeed of each of the following:

(a) *eSpeed Stockholder Approval*. eSpeed shall have duly obtained the eSpeed Stockholder Approval.

(b) *NASDAQ Listing*. The shares of eSpeed Common Stock to be issued in the Merger and to be issued upon exchange of eSpeed Class B Common Stock, Holdings Exchangeable Limited Partnership Interests and, if applicable, the Holdings Founding Partner Interests shall have been authorized for listing on the NASDAQ Global Market or such other market on which the eSpeed Common Stock is then listed or quoted, subject to official notice of issuance.

(c) *Required Governmental Approvals*. All of the Required Governmental Approvals shall have been obtained and shall remain in full force and effect, and there shall not be any action taken, regulatory or governmental approval granted or issued or any statute, rule, regulation, order or decree enacted, entered, enforced or deemed applicable to the Transaction that imposes any Burdensome Condition. The waiting period and any extension thereof applicable to the transactions contemplated by this Agreement under the HSR Act shall have been terminated or shall have expired.

(d) *No Injunctions or Restraints; Illegality*. No order, injunction, ruling, decree or judgment issued by any court or agency of competent jurisdiction or other legal restraint or prohibition (an *Injunction*) restraining, enjoining or otherwise preventing the consummation of the Merger or any of the other transactions contemplated by this Agreement shall be in effect; *provided*, *however*, that the Parties shall use all commercially reasonable efforts to cause any such order, injunction, ruling, decree or judgment. No Law shall have been enacted, entered, promulgated or enforced by any Governmental Authority that prohibits or makes illegal consummation of the merger or any of the other transactions contemplated by this Agreement.

(e) *Separation*. The Separation shall have occurred in accordance with the terms and conditions set forth in the Separation Agreement.

Table of Contents

8.2 *Conditions to eSpeed s Obligation to Effect the Merger*. The obligation of eSpeed to consummate the Merger is subject to the fulfillment or, to the extent permitted by Applicable Law, waiver by eSpeed of each of the following:

(a) *Representations and Warranties*. (i) Each of the representations and warranties of BGC Partners, Cantor, U.S. Opco and Global Opco set forth in this Agreement that are qualified by BGC Partners Material Adverse Effect shall be true and correct, (ii) each of the representations and warranties of BGC Partners Cantor, U.S. Opco and Global Opco set forth in this Agreement that are not so qualified shall be true and correct, except where the failure of any such representation or warranty to be so true and correct would not, individually or in the aggregate, constitute a BGC Partners Material Adverse Effect and (iii) notwithstanding anything to the contrary set forth in (i) and (ii) of this *Section 8.2(a)*, the representations and warranties of BGC Partners set forth in *Sections 4.7* (Capitalization) and the representation of Cantor, U.S. Opco and Global Opco set forth in *Section 6.6* (Capitalization) each shall be true and correct (except for any *de minimis* inaccuracy), in either case made as if neither of such representations or warranties contained any qualification or limitation as to materiality or BGC Partners Material Adverse Effect, in each cases (i), (ii) and (iii), as of the date of the Agreement and as of the Closing Date as if made on and as of the Closing Date (except to the extent that any such representation or warranty, by its terms, is expressly limited to a specific date, in which case, as of such specific date).

(b) *Covenants and Agreements*. The covenants and agreements of each of BGC Partners, Cantor, U.S. Opco and Global Opco to be performed on or before the Closing Date in accordance with this Agreement shall have been duly performed in all material respects.

(c) *Closing Net Equity, Closing Cash and Closing Indebtedness*. The Estimated Closing Net Equity and the Estimated Closing Cash, as set forth on the Estimated Closing Balance Sheet, shall be equal to or greater than the Target Closing Net Equity and the Target Closing Cash, respectively, and the Estimated Closing Indebtedness, as set forth on the Estimated Closing Balance Sheet, shall be equal to or less than the Target Closing Indebtedness.

(d) *Officer s Certificate*. eSpeed shall have received a certificate from BGC Partners, dated as of the Closing Date and signed on behalf of BGC Partners by an executive officer of BGC Partners, stating that the conditions specified in *Sections 8.2(a)*, *8.2(b)* and have been satisfied.

8.3 *Conditions to BGC Partners Obligation to Effect the Merger*. The obligation of BGC Partners to consummate the Merger is subject to the fulfillment or, to the extent permitted by Applicable Law, waiver by BGC Partners of each of the following:

(a) *Representations and Warranties*. (i) The representations and warranties of eSpeed set forth in this Agreement that are qualified by eSpeed Material Adverse Effect shall be true and correct, and (ii) the representations and warranties of eSpeed set forth in this Agreement that are not so qualified shall be true and correct, except where the failure of any such representation or warranty to be so true and correct would not, individually or in the aggregate, constitute an eSpeed Material Adverse Effect, in each cases (i) and (ii), as of the Closing Date as if made on and as of the Closing Date (except to the extent that any such representation or warranty, by its terms, is expressly limited to a specific date, in which case, as of such specific date).

(b) *Covenants and Agreements*. The covenants and agreements of eSpeed to be performed on or before the Closing Date in accordance with this Agreement shall have been duly performed in all material respects.

(c) *Officer s Certificate*. BGC Partners shall have received a certificate from eSpeed, dated as of the Closing Date and signed on behalf of eSpeed by an executive officer of eSpeed, stating that the conditions specified in *Sections 8.3(a)* and *8.3(b)* have been satisfied.

(d) *Tax Opinion*. BGC Partners shall have received an opinion of its counsel, Wachtell, Lipton, Rosen & Katz, dated the Closing Date, to the effect that the Merger will qualify as an exchange described in Section 351(a) of the Code. In rendering such opinion, such counsel may require and rely upon representations contained in certificates of officers of Cantor, BGC Partners and eSpeed.

Table of Contents

8.4 *Frustration of Closing Conditions*. None of Cantor, BGC Partners or eSpeed may rely on the failure of any condition set forth in *Section 8.2(a)*, *8.2(b)*, *8.3(a)* or *8.3(b)*, as the case may be, to be satisfied if such failure was caused by such Party s failure to perform any of its obligations under this Agreement, to act in good faith or to use its reasonable best efforts to consummate the transactions contemplated by this Agreement in accordance with *Section 7.2*.

ARTICLE IX

TERMINATION

9.1 *Termination*. This Agreement may be terminated at any time prior to the Effective Time, whether prior to or after receipt of the eSpeed Stockholder Approval as follows:

(a) by mutual written consent of BGC Partners and eSpeed (acting at the direction of the eSpeed Special Committee);

(b) by either BGC Partners or eSpeed (with the prior approval of the eSpeed Special Committee), if:

(i) the Closing shall not have occurred on or before April 30, 2008 (the *Outside Date*); *provided*, *however*, that (i) either BGC Partners or eSpeed shall have the option to extend the Outside Date for an additional period of time not to exceed 120 days if all other conditions to consummation of the transactions contemplated by this Agreement are satisfied or capable of then being satisfied, and the sole reason that such transactions have not been consummated by such date is that one or more conditions set forth in *Section 8.1(c)* (Required Government Approvals) have not been satisfied and (ii) the right to terminate this Agreement under this *Section 9.1(b)(i)* shall not be available to any Party to this Agreement whose failure to perform any material covenant or obligation under this Agreement has been the primary cause of or resulted in the failure of the transactions contemplated by this Agreement to occur on or before such date; or

(ii) if any Injunction permanently restrains, enjoins or prohibits or makes illegal the consummation of the transactions contemplated by this Agreement, and such Injunction becomes effective (and final and nonappealable).

(c) by BGC Partners, if there has been a material breach of any representation, warranty, covenant or agreement on the part of eSpeed contained in this Agreement, which breach by its nature is not curable or has not been cured within forty-five (45) days of written notice to eSpeed of such breach; or

(d) by eSpeed, if there has been a material breach of any representation, warranty, covenant or agreement on the part of BGC Partners, Cantor, U.S. Opco, Global Opco or Holdings contained in this Agreement, which breach by its nature is not curable or has not been cured within forty-five (45) days of written notice to BGC Partners, Cantor, U.S. Opco, Global Opco or Holdings, as applicable, of such breach.

9.2 *Notice of Termination*. In the event of termination of this Agreement by either or both of BGC Partners and eSpeed pursuant to *Section 9.1*, written notice of such termination shall be given by the terminating party to the other party to this Agreement.

9.3 *Effect of Termination*. In the event of termination of this Agreement by either or both of BGC Partners and eSpeed pursuant to *Section 9.1*, this Agreement shall terminate and become void and have no effect, and the transactions contemplated by this Agreement shall be abandoned without further action by the parties to this Agreement, except that the provisions of this *Section 9.3* and *Sections 11.6* and *11.9* shall survive the termination of this Agreement; *provided*, *however*, that such termination shall not relieve any party to this Agreement of any liability for any willful and material breach of this Agreement which gave rise to a termination of this Agreement pursuant to *Section 9.1(c)* or *9.1(d)*.

Table of Contents

ARTICLE X

INDEMNIFICATION AND ALLOCATION OF CERTAIN LOSSES

10.1 *Survival Periods*. All representations and warranties contained in Articles IV or VI of this Agreement or in any Schedule to this Agreement, or in any certificate, document or other instrument delivered in connection with this Agreement shall survive the Closing and continue to be in full force and effect until the first anniversary of the Closing Date; *provided*, *however*, that the representations and warranties set forth in *Sections 4.7* (Capitalization) shall survive the Closing and continue to be in full force and effect indefinitely (each such period, as applicable the *Indemnity Period*). None of the representations and warranties contained in Article V of this Agreement or in any Schedule to this Agreement, or in any certificate, document or other instrument delivered in connection with this Agreement, including the officer s certificate to be delivered by eSpeed pursuant to *Section 8.3(c)*, shall survive the Effective Time. Those covenants that contemplate or may involve actions to be taken or obligations in effect after the Closing shall survive in accordance with their terms.

10.2 *Indemnification; Allocation of Certain Losses.*

(a) Except as otherwise provided in this *Article X*, from and after the Closing Date, Cantor shall indemnify and hold harmless Opco and its Subsidiaries, and each of their heirs, executors, successors and assigns (collectively, the *Indemnified Parties*) from and out of any Losses to the extent resulting from or arising out of: (i) any breach of any representation or warranty of BGC Partners, Cantor, U.S. Opco, Global Opco or Holdings contained in this Agreement or in any certificate delivered hereunder (but only if a claim therefor is presented to Cantor in accordance with this Agreement before the Indemnity Period terminates in accordance with this Agreement) (it being understood that (x) in determining the amount of Loss under this *Section 10.2(a)(i)* from any breach or inaccuracy of any representation or warranty, but not, for the avoidance of doubt, for purposes of determining whether there has been a breach or inaccuracy, all references to material, Company Material Adverse Effect or similar qualifications as to materiality shall be deleted therefrom, and (y) in determining the amount of Loss under this *Section 10.2(a)(i)* from any breach or inaccuracy of any representation or warranty contained in *Sections 4.5*, and for purposes of determining whether there has been a breach or inaccuracy in any such representation or warranty for purposes of this *Article X*, the Actions marked with an asterisk on *Schedule 4.5* of the BGC Partners Disclosure Schedule shall not be taken into account); or (ii) any breach of any covenant or agreement contained in this Agreement to be performed by BGC Partners, Cantor, U.S. Opco, Global Opco or Holdings; *provided*, *however*, that (1) Cantor shall not be obligated to indemnify the Indemnified Parties for any Losses resulting from or arising out of the any matter set forth on *Schedule 10.2* of the BGC Partners Disclosure Schedule (such matter, the *Special Items*); and (2) Cantor s indemnification obligations with respect to the Actions marked with an asterisk on *Schedule 4.5* of the BGC Partners Disclosure Schedule shall be limited to Losses resulting from the imposition of any fine or other monetary penalty, or the payment of any amount in settlement, resulting from such Actions.

(b) *Allocation of Certain Losses*. From and after the Closing, any Losses of U.S. Opco and Global Opco and its Subsidiaries to the extent resulting from or arising out of the Special Items (the *Allocable Losses*) shall be allocated to Holdings pursuant to terms of the New U.S. Opco Limited Partnership Agreement and the New Global Opco Limited Partnership Agreement, which allocated Losses of Holdings shall be allocated to the capital accounts of the Limited Partnership Interests of Holdings held by Cantor and the Founding Partners (each as defined in the New Holdings Limited Partnership Agreement) pursuant to the terms of the New Holdings Limited Partnership Agreement.

10.3 *Notification*.

(a) Any Indemnified Party entitled to indemnification under this Agreement may seek indemnification for any Loss by giving written notice to Cantor (the *Indemnifying Party*), specifying (i) the basis for such indemnification claim and (ii) if known, the aggregate amount of Loss for which a claim is being made under this

Table of Contents

Article X. Written notice to such Indemnifying Party of the event giving rise to such claim shall be given by the Indemnified Party as soon as practicable after the Indemnified Party first receives notice of the potential claim; *provided*, *however*, that any failure to provide such written notice of the event giving rise to such claim shall not affect the Indemnified Party s right to indemnification or relieve the Indemnifying Party of its obligations under this *Article X* except to the extent that such failure results in a lack of actual notice to Cantor of the event giving rise to such claim and Cantor actually incurs an incremental expense or otherwise has been materially prejudiced as a result of such delay.

(b) The Surviving Corporation may seek to have an Allocable Loss allocated to Holdings by giving written notice to Cantor, specifying (i) the basis for its claim of breach and (ii) if known, the aggregate amount of Allocable Losses for which a claim of breach is being made. Written notice to such Indemnifying Party of the event giving rise to such claim shall be given by the Indemnified Party as soon as practicable after the Indemnified Party first receives notice of the potential claim; *provided*, *however,* that any failure to provide such written notice of the event giving rise to such claim shall not affect the Indemnified Party s right to have such Allocable Losses allocated pursuant to this *Article X* except to the extent that such failure results in a lack of actual notice to Cantor of the event giving rise to such indemnification claim and Cantor actually incurs an incremental expense or otherwise has been materially prejudiced as a result of such delay.

10.4 *Third-Party Claims.*

(a) If a claim by a third party is made against an Indemnified Party, or with respect to which U.S. Opco or Global Opco may incur an Allocable Loss pursuant to this Agreement, and if the Indemnified Party intends to seek indemnity (or U.S. Opco or Global Opco intends to allocate an Allocable Loss) with respect thereto under this *Article X*, such Indemnified Party, shall promptly notify Cantor of such claims (collectively, a *Third-Party Claim*) (and in any event not more than 30 days after receiving such actual notice of such Third-Party Claim). The failure to provide such notice in accordance with *Section 11.2* shall not result in a waiver of any right to indemnification or right to allocate such Allocable Loss hereunder except to the extent that such failure results in a lack of actual notice to Cantor of the event giving rise to such indemnification claim and Cantor actually incurs an incremental expense or otherwise has been materially prejudiced as a result of such delay.

(b) Cantor may elect (but is not required) to assume the defense of and defend such Third-Party Claim solely at its own expense; *provided*, *however*, that if Indemnity Period has not expired at the time of such Third-Party Claim, Cantor may only exercise its rights pursuant to this sentence if Cantor acknowledges in writing to the Indemnified Party that such Third-Party Claim is indemnifiable or allocable under this Agreement or another Transaction Agreement. Within 30 days after the receipt of notice from an Indemnified Party (or the Surviving Corporation in the case of an Allocable Loss) in accordance with *Section 11.2*, Cantor shall notify the Indemnified Party or the Surviving Corporation, as applicable, of its election whether it will assume responsibility for defending such Third-Party Claim. If Cantor elects to assume the defense of any such Third-Party Claim, the Indemnified Party may participate in such defense, but, as long as Cantor pursues such defense with reasonable diligence, the expenses of the Indemnified Party incurred in participating in such defense shall be paid by the Indemnified Party.

(c) Any such notice shall describe the Third-Party Claim in reasonable detail, including, if known, the amount of the Loss or Allocable Losses or a good faith estimate thereof. Notwithstanding the foregoing, the failure of any Indemnified Party or other Person to give notice within the 30-day period shall not prohibit indemnification under this *Article X* or the allocation of any Allocable Losses pursuant to this Agreement except to the extent that the failure to provide such notice results in a lack of actual notice of the event giving rise to such claim to the Person to whom such Allocable Losses are to be allocated pursuant to this Agreement and such Person incurs and incremental expense or otherwise has been materially prejudiced.

(d) Cantor shall have the right to compromise or settle a Third-Party Claim the defense of which it shall have assumed pursuant to this *Section 10.4* and any such settlement or compromise made or caused to be made of

Table of Contents

a Third-Party Claim in accordance with this *Article X* shall be binding on the Indemnified Party or the Surviving Corporation, as the case may be, in the same manner as if a final judgment or decree had been entered by a court of competent jurisdiction in the amount of such settlement or compromise. Notwithstanding the foregoing sentence, Cantor shall not have the right to admit Liability on behalf of the Indemnified Party and shall not compromise or settle a Third-Party Claim in each case without the express prior consent of the Indemnified Party or, in the case of an Allocable Loss, the Surviving Corporation (not to be unreasonably withheld or delayed); *provided* that such prior consent shall not be required in the case of any such compromise or settlement if and only if the compromise or settlement includes, as a part thereof, a full and unconditional release by the plaintiff or claimant of all Indemnified Parties or, in the case of an Allocable Loss, U.S. Opco and Global Opco from all liability with respect to such Third-Party Claim and does not require any Indemnified Party or, in the case of an Allocable Loss, U.S. Opco and Global Opco to make any payment that is not fully indemnified or not allocated under this Agreement or to be subject to any non-monetary remedy. The Indemnified Party or, in the case of an Allocable Loss, U.S. Opco and Global Opco shall not pay or settle any claim without the prior written consent of the Indemnifying Party or, in the case of an Allocable Loss, the Surviving Corporation (in each case, not to be unreasonably withheld or delayed). Notwithstanding the foregoing, the Indemnified Party or, in the case of an Allocable Loss, U.S. Opco and Global Opco shall have the right to pay or settle any such claim; *provided* that, in such event, it shall waive any right to indemnity therefor by Cantor.

10.5 *Limits on Indemnifiable Losses.*

(a) No indemnification shall be made by Cantor with respect to any claim made pursuant to *Section 10.2(a)(i)* unless and until the aggregate of all Losses indemnifiable pursuant to *Section 10.2(a)* shall exceed $20 million (the *Deductible Amount*), in which event Cantor shall be responsible only for such Losses in excess of the Deductible Amount; *provided* that that no indemnification shall be made by Cantor with respect to any claim made pursuant to *Section 10.2(a)(i)* to the extent that the aggregate amount of Losses indemnifiable pursuant to *Section 10.2(a)* (taking into account for these purposes any Losses excluded as a result of the Deductible Amount or *Section 10.5(b)*) is in excess of an amount equal to (x) $170 million (it being agreed that the Indemnified Parties shall bear the first $20 million of such Losses), *minus* (y) the amount of indemnification payments that have been made pursuant to *Section 10.2(a)* prior to the time of such claim, *minus* (z) the lesser of (A) $85 million and (B) the amount of Allocable Losses that have been allocated to Holdings pursuant to *Section 10.2(b)* prior to the time of the final resolution of such claim.

(b) Notwithstanding anything to the contrary contained in this Agreement, Cantor shall not be required to indemnify any Indemnified Party with respect to any Loss (or series of related Losses) pursuant to *Section 10.2(a)* if such Loss (or series of related Losses) from such breach is less than $50,000 or included or reflected as a liability in the Final Closing Balance Sheet, and such Loss (or series of related Losses) shall not be included in the calculation of the amounts specified in this *Section 10.5.*

(c) Cantor shall be obligated to indemnify any Indemnified Party pursuant to *Section 10.2(a)* only for those claims giving rise to any Loss as to which such Indemnified Party has given Cantor written notice prior to the end of the applicable Indemnity Period, in the event that such Indemnity Period applies to such Loss in accordance with *Section 10.3.*

10.6 *Mitigation*. The Indemnified Parties (and, in the case of any Allocable Loss, the Surviving Corporation) shall, and shall cause their Subsidiaries to, use commercially reasonable efforts to mitigate any claim or liability that an Indemnified Party asserts under this *Article X* or that the Surviving Corporation seeks to allocate to Holdings under this *Article X.*

10.7 *Exclusive Remedies*. Notwithstanding any other provision contained in this Agreement, except in the case of a fraud or willful misconduct on the part of a Party hereto and except as specifically set forth in this *Article X*, there shall be no rights, claims or remedies (whether in Law or in equity) available to any Indemnified Party after the Closing for breaches by any of the representations, warranties, covenants or other agreements of

Table of Contents

BGC Partners, Cantor, U.S. Opco, Global Opco or Holdings under this Agreement or otherwise relating to this Agreement or the transactions contemplated hereby; *provided* that the Parties hereto shall each have and retain all rights and remedies to bring actions for specific performance and/or injunctive relief existing in their favor under this Agreement, at Law or equity, to enforce or prevent a breach or violation of any provision of this Agreement.

ARTICLE XI

MISCELLANEOUS

11.1 *Amendment and Waiver*.

(a) This Agreement may not be modified or amended and no waiver, consent or approval by or on behalf of eSpeed (if prior to the Effective Time) or BGC Partners (if after the Effective Time) may be granted except by an instrument or instruments in writing signed by each Party to this Agreement and by the eSpeed Special Committee (if prior to the Effective Time) or the Audit Committee of the Surviving Corporation (on or after the Effective Time). No failure or delay on the part of BGC Partners or eSpeed in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

(b) Any amendment, supplement or modification of or to any provision of this Agreement, any waiver of any provision of this Agreement, and any consent to any departure by BGC Partners or eSpeed from the terms of any provision of this Agreement, shall be effective (i) only if it is made or given in writing and signed by BGC Partners and eSpeed and (ii) only in the specific instance and for the specific purpose for which made or given. Except where notice is specifically required by this Agreement, no notice to or demand on BGC Partners or eSpeed in any case shall entitle BGC Partners or eSpeed, respectively, to any other or further notice or demand in similar or other circumstances.

(c) Waiver by any Party of any default by any other Party of any provision hereof or of any Transaction Documents shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of such other Party.

11.2 *Notices*. All notices and other communications to be given to any Party hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered by hand, courier or overnight delivery service or three days after being mailed by certified or registered mail, return receipt requested, with appropriate postage prepaid, or when received in the form of a telegram or facsimile and shall be directed to the address set forth below (or at such other address or facsimile number as such Party shall designate by like notice):

if to BGC Partners:

BGC Partners, Inc.

199 Water Street

New York, New York 10038

Attention: General Counsel
Fax No.: (212) 829-4708

with a copy (which shall not constitute notice) to:

Wachtell, Lipton, Rosen & Katz

51 West 52nd Street

New York, New York 10019

Attention: Craig M. Wasserman, Esq.
Gavin D. Solotar, Esq.
Fax No: (212) 403-2000

Table of Contents

if to Cantor:

Cantor Fitzgerald, L.P.

499 Park Avenue

New York, New York 10022

Attention: General Counsel
Fax No.: (212) 829-4708

with a copy (which shall not constitute notice) to:

Wachtell, Lipton, Rosen & Katz

51 West 52nd Street

New York, New York 10019

Attention: Craig M. Wasserman, Esq.
Gavin D. Solotar, Esq.
Fax No: (212) 403-2000

if to eSpeed:

eSpeed, Inc.

110 East 59th Street

New York, New York 10022

Attention: General Counsel
Fax No.: (212) 829-4708

with a copy (which shall not constitute notice) to:

Debevoise & Plimpton LLP

919 Third Avenue

New York, New York 10022

Attention: William D. Regner, Esq.
Fax No: (212) 909-6836

All such notices, demands and other communications shall be deemed to have been duly given when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial courier service; five (5) Business Days after being deposited in the mail, postage prepaid, if mailed; and when receipt is mechanically acknowledged, if telecopied. Any Party may by notice given in accordance with this *Section 11.2* designate another address or Person for receipt of notices hereunder.

11.3 *Successors and Assigns; Third-Party Beneficiaries.*

(a) This Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns, but neither this Agreement nor any rights, interests and obligations hereunder shall be assigned by any Party, in whole or in part (whether by operation of Law or otherwise), without the prior written consent of each of the other Parties and any attempt to make any such assignment without such consent shall be null and void; *provided*, *however*, that Cantor or the Surviving Corporation may assign its rights to a wholly owned Subsidiary of Cantor or the Surviving Corporation, as the case may be, without the prior written consent of the other Parties; *provided*, *further*, that no such assignment shall relieve Cantor or the Surviving Corporation of any of its obligations hereunder.

(b) This Agreement is solely for the benefit of the Parties to this Agreement and their respective successors and permitted assigns and is not intended to confer upon any other Persons any rights or remedies hereunder.

Table of Contents

11.4 *Counterparts*. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

11.5 *Specific Performance*. The Parties to this Agreement agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, the Parties to this Agreement hereby agree that any Party hereto shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to enforce specifically the terms and provisions of this Agreement in any court of the United States or any state having jurisdiction, in addition to any other remedy to which such Party may be entitled at Law or in equity.

11.6 *Governing Law; Consent to Jurisdiction; Waiver of Jury Trial.*

(a) This Agreement shall be governed by and construed in accordance with the internal Laws of the State of Delaware, without regard to the conflicts-of-law principles of such State.

(b) Each of the parties hereto irrevocably and unconditionally submits to the exclusive jurisdiction of the Delaware Court of Chancery (and if the Delaware Court of Chancery shall be unavailable, any Delaware State court and the Federal court of the United States of America sitting in the State of Delaware) for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby (and agrees that no such action, suit or proceeding relating to this Agreement shall be brought by it or any of its subsidiaries except in such courts). Each of the Parties further agrees that, to the fullest extent permitted by Applicable Law, service of any process, summons, notice or document by U.S. registered mail to such Person s respective address set forth above shall be effective service of process for any action, suit or proceeding in Delaware with respect to any matters to which it has submitted to jurisdiction as set forth above in the immediately preceding sentence. Each of the Parties hereto irrevocably and unconditionally waives (and agrees not to plead or claim), any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the Delaware Court of Chancery (and if the Delaware Court of Chancery shall be unavailable, in any Delaware State court or the Federal court of the United States of America sitting in the State of Delaware) or that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

(c) EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE IT HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT AND ANY OF THE AGREEMENTS DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

11.7 *Severability*. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining provisions hereof.

11.8 *Entire Agreement*. This Agreement, together with the exhibits and schedules hereto and the Transaction Documents are intended by the Parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the Parties hereto in respect of the subject matter contained herein and therein. There are no restrictions, promises, representations, warranties or undertakings, other than those set forth or referred to herein or therein. This Agreement, together with the exhibits and schedules hereto, and the Transaction Documents supersede all prior agreements and understandings between the Parties with respect to such subject matter.

Table of Contents

11.9 *Expenses*. Each Party shall bear its own costs and expenses (including attorneys and other advisors fees) incurred in connection with this Agreement and the transactions contemplated hereby (it being understood that the costs and expenses of BGC Partners or Cantor and its Subsidiaries incurred prior to the Effective Time shall be, if applicable, reflected in the calculation of the Closing Cash and Closing Net Equity).

11.10 *Publicity; Confidentiality.*

(a) Subject to *Section 11.11* and unless otherwise agreed by the Party to whom such Covered Information relates, each of the Parties agrees to hold, and to cause each member of its respective Affiliates, directors, officers, employees, general partners, agents, accountants, managing member, employees, counsel and other advisors and representatives (collectively, *Representatives*) to hold, in strict confidence, with at least the same degree of care that applies to Cantor s confidential and proprietary Information pursuant to policies in effect as of the date of this Agreement, all Information concerning each such other Party (including such Person s clients, transactions, business, Assets, Liabilities, performance or operations) that is either in its possession (including Information in its possession prior to the date of this Agreement) or furnished by any such other Party or its Representatives at any time pursuant to this Agreement, any Transaction Document or otherwise (collectively, *Covered Information*), except that the following shall not be deemed to be Covered Information: any such Information to the extent that (i) at the time of disclosure such Information is generally available to and known by the public (other than as a result of a disclosure by the disclosing Party or by any of its Representatives in breach of this *Section 11.10*) or (ii) such Information has after the Effective Time been lawfully acquired from other sources by such Party on a non-public basis which sources are, to the knowledge of the Party acquiring such Information, not themselves bound by a contractual, legal or fiduciary obligation that would limit or prohibit disclosure of such Information.

(b) Subject to *Section 11.11* and unless otherwise agreed by the Party to whom such Covered Information relates, each Party agrees (i) not to use any Covered Information other than for such purposes as shall be expressly permitted hereunder or under any Transaction Document and (ii) not to release or disclose, or permit to be released or disclosed, any Covered Information to any other Person, except its Representatives who need to know such Covered Information (who shall be advised of their obligations hereunder with respect to such Covered Information), except in compliance with *Section 11.11*. Without limiting the foregoing, when any Covered Information is no longer needed for the purposes contemplated by this Agreement or any Transaction Document, each Party will promptly after request of the Party that provided such Covered Information either return to such Party all such Covered Information in a tangible form (including all copies thereof and all notes, analyses, presentations, extracts or summaries based thereon) or certify to the other Party that it has destroyed such Covered Information (and such copies thereof and such notes, extracts, analyses, presentations or summaries based thereon). Notwithstanding the return or destruction of the Covered Information, such Party will continue to be bound by its obligations of confidentiality and other obligations hereunder.

11.11 *Protective Arrangements*. In the event that any Party determines on the advice of its counsel that it is required to disclose any Covered Information of any other Party (or any member of such other Party s Subsidiaries) pursuant to Applicable Law or receives any demand under lawful process or from any Governmental Authority to disclose or provide Covered Information of any other Party (or any member of such other Party s Subsidiaries), such Party shall, to the extent practicable and unless otherwise required by Law, notify the other Party prior to disclosing or providing such Covered Information and shall cooperate at the expense of the requesting Party in seeking any reasonable protective arrangements requested by such other Party. Subject to the foregoing, the Person that received such request may thereafter disclose or provide Covered Information if and to the extent required by such Law (as so advised by counsel) or by lawful process or such Governmental Authority; *provided*, that the Person shall only disclose such portion of the Covered Information so required to be disclosed or provided.

11.12 *Action by eSpeed*. In order for any consent or waiver provided by eSpeed under this Agreement, or for any amendment or modification to this Agreement executed by eSpeed, to be valid, such consent, waiver,

Table of Contents

amendment or modification must be approved by the eSpeed Special Committee (if such consent, waiver, amendment or modification shall be made prior to the Closing) or by the Audit Committee of the Surviving Corporation (if such consent, waiver, amendment or modification shall be made after the Closing).

11.13 *Further Assurances*. Each of the Parties shall execute such documents and perform such further acts (including, obtaining any consents, exemptions, authorizations or other actions by, or giving any notices to, or making any filings with, any Governmental Authority or any other Person) as may be reasonably required or desirable to carry out or to perform the provisions of this Agreement.

[Remainder of page left intentionally blank]

Table of Contents

IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Agreement and Plan of Merger on the date first written above.

BGC PARTNERS, INC.

By: /s/ Stephen M. Merkel
Name: Stephen M. Merkel
Title: Executive Vice President,

General Counsel and Secretary

ESPEED, INC.

By: /s/ Howard W. Lutnick
Name: Howard W. Lutnick
Title: Chairman, Chief Executive

Officer and President

CANTOR FITZGERALD, L.P.

By: /s/ Howard W. Lutnick
Name: Howard W. Lutnick
Title: Chairman, Chief Executive

Officer and President

BGC PARTNERS, L.P.

By: /s/ Stephen M. Merkel
Name: Stephen M. Merkel
Title: Executive Managing Director

BGC GLOBAL HOLDINGS, L.P.

By: /s/ Stephen M. Merkel
Name: Stephen M. Merkel
Title: Director

BGC HOLDINGS, L.P.

By: /s/ Stephen M. Merkel
Name: Stephen M. Merkel
Title: Executive Managing Director

[Signature Page to Agreement and Plan of Merger, dated as of May 29, 2007, by and among BGC Partners, Cantor, eSpeed, U.S. Opco, Global Opco and Holdings]

Table of Contents

AMENDMENT NO. 1

TO

AGREEMENT AND PLAN OF MERGER

by and among

BGC PARTNERS, INC.,

CANTOR FITZGERALD, L.P.,

ESPEED, INC.,

BGC PARTNERS, L.P.,

BGC GLOBAL HOLDINGS, L.P.,

and

BGC HOLDINGS, L.P.

Amendment dated as of November 5, 2007

Table of Contents

AMENDMENT NO. 1

TO

AGREEMENT AND PLAN OF MERGER

This AMENDMENT NO. 1, dated as of November 5, 2007 (this *Amendment*), to the Agreement and Plan of Merger, dated as of May 29, 2007 (the *Merger Agreement*), is by and among BGC Partners, Inc., a Delaware corporation (*BGC Partners*), Cantor Fitzgerald, L.P., a Delaware limited partnership (*Cantor*), eSpeed, Inc., a Delaware corporation (*eSpeed*), BGC Partners, L.P., a Delaware limited partnership (*U.S. Opco*), BGC Global Holdings, L.P., a Cayman Islands exempted limited partnership (*Global Opco*) and BGC Holdings, L.P., a Delaware limited partnership (*Holdings* and together with BGC Partners, Cantor, eSpeed, U.S. Opco and Global Opco, the *Parties* and each, a *Party*).

RECITALS

WHEREAS, the Parties to the Merger Agreement desire to amend and supplement certain terms of the Merger Agreement as described herein; and

WHEREAS, all terms used but not defined herein shall have the meaning ascribed to such terms in the Merger Agreement.

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements contained herein, the Parties hereto agree as follows:

1. *Exhibits*.

(a) Exhibit C to the Merger Agreement (Form of New Global Opco Limited Partnership Agreement) is amended and restated to be in the form attached as *Annex A* to this Amendment.

(b) Exhibit D to the Merger Agreement (Form of New Holdings Limited Partnership Agreement) is amended and restated to be in the form attached as *Annex B* to this Amendment.

(c) Exhibit E to the Merger Agreement (Form of New U.S. Opco Limited Partnership Agreement) is amended and restated to be in the form attached as *Annex C* to this Amendment.

(b) Exhibit G to the Merger Agreement (Form of Separation Agreement) is amended and restated to be in the form attached as *Annex D* to this Amendment.

(c) Exhibit J to the Merger Agreement (Form of New Certificate of Incorporation) is amended and restated to be in the form attached as *Annex E* to this Amendment.

(d) Exhibit I to the Merger Agreement (Form of Limited Liability Company Agreement) is amended and restated to be in the form attached as *Annex F* to this Amendment.

2. *Definitions*.

(a) Section 1.1 of the Merger Agreement is amended to include the following definitions:

BGC Partners Restricted Stock Units means BGC Partners Restricted Stock Units as defined in the eSpeed,

eSpeed LTIP means the eSpeed, Inc. 1999 Long Term Incentive Plan, as amended and restated, as amended from time to time.

Holdings Restricted Exchangeable Interest means a Restricted Exchangeable Interest as defined in the New Holdings Limited Partnership Agreement.

Table of Contents

Holdings Restricted Exchangeable Unit means a Restricted Exchangeable Unit as defined in the New Holdings Limited Partnership Agreement.

3. *Merger Consideration*.

(a) Section 3.1(a)(ii) of the Merger Agreement is amended and restated to read as follows:

(ii) each BGC Partners Class B Unit issued and outstanding immediately prior to the Effective Time shall be converted into one share of eSpeed Class B Common Stock or, at Cantor s election prior to the Effective Time, one share of eSpeed Class A Common Stock; and

(b) Section 3.1(a)(iii) of the Merger Agreement is amended and restated to read as follows:

(iii) each BGC Partners Class C Unit issued and outstanding immediately prior to the Effective Time shall be converted into 100 shares of eSpeed Class B Common Stock or, at Cantor s election prior to the Effective Time, 100 shares of eSpeed Class A Common Stock.

4. *Representations and Warranties of BGC Partners Regarding Capitalization*.

(a) The second sentence of Section 4.7(a) of the Merger Agreement is amended and restated to read as follows:

On the Closing Date, immediately prior to the Effective Time, (i) the authorized equity interests of BGC Partners shall consist of (A) 500,000,000 BGC Partners Class A Units, of which zero (0) shall be issued and outstanding, (B) 100,000,000 BGC Partners Class B Units, of which 21,968,971 shall be issued and outstanding, and (C) one (1) BGC Partners Class C Unit, which BGC Class C Unit shall be issued and outstanding; and (ii) there shall be (A) 111,890,929 issued and outstanding Holdings Units, each of which, if held by a member of the Cantor Group, shall be exchangeable with BGC Partners into one BGC Partners Class B Unit (or, at the option of Cantor or if there shall be an insufficient number of authorized but unissued BGC Partners Class A Units at the time of such exchange, one BGC Partners Class A Unit) and, if not held by a member of Cantor Group, may or may not be exchangeable with BGC Partners into one BGC Partners Class A Unit and (B) issued and outstanding rights to receive concurrently with the Merger up to $22,000,000 of Holdings Restricted Exchangeable Units (with each Holdings Restricted Exchangeable Unit valued for these purposes at the closing price of eSpeed Class A Common Stock on the date of the grant of the right to receive such Holdings Restricted Exchangeable Unit), each of which Holdings Restricted Exchangeable Unit shall be exchangeable with the Surviving Corporation into BGC Partners Class A Common Stock on the terms and subject to the conditions set forth in the New Holdings Limited Partnership Agreement and the eSpeed LTIP.

(b) The third sentence of Section 4.7(b) of the Merger Agreement is amended and restated to read as follows:

Except as set forth on Schedule 4.7(b)(ii) of the BGC Partners Disclosure Schedule and except for the Holdings Exchangeable Interests and, in certain circumstances, the Holdings Founding Partner Interests and rights to receive Holdings Restricted Exchangeable Interests, there are no options, warrants, conversion privileges, subscription or purchase rights or other rights presently outstanding issued or granted by BGC Partners or any of its Subsidiaries to purchase or otherwise acquire any authorized but unissued, unauthorized or treasury shares of capital stock or other securities of, or any proprietary interest in, any of BGC Partners or any of its Subsidiaries, and there is no outstanding security of any kind issued or granted by BGC Partners or any of its Subsidiaries convertible into or exchangeable for such shares or proprietary interest in any such entity.

Table of Contents

5. *Representations and Warranties of Cantor, U.S. Opco, Global Opco and Holdings Regarding Capitalization*. The first sentence of Section 6.6 of the Merger Agreement is amended and restated to read as follows:

As of immediately prior to the Effective Time, (i) the authorized equity of U.S. Opco shall consist of (A) U.S. Opco Limited Partnership Interests consisting of 600,000,000 Units, of which 111,890,929 Units shall be issued and outstanding; and (B) one U.S. Opco General Partnership Interest consisting of 1 Unit, which Unit shall be issued and outstanding; (ii) the authorized equity of Global Opco shall consist of (A) Global Opco Limited Partnership Interests consisting of 600,000,000 Units, of which 111,890,929 Units shall be issued and outstanding; and (iii) the authorized equity of Holdings shall consist of (A) Holdings Limited Partnership Interests consisting of 600,000,000 Units, of which (x) 111,890,929 Units underlying Holdings Exchangeable Limited Partnership Interests and Holdings Founding Partner Interests shall be issued and outstanding and (y) rights to receive up to $22,000,000 of Holdings Restricted Exchangeable Units (with each Holdings Restricted Exchangeable Unit valued for these purposes at the closing price of eSpeed Class A Common Stock on the date of the grant of the right to receive such Holdings Restricted Exchangeable Unit) shall be issued and outstanding.

6. *Exchange Listing*. Section 7.6 of the Merger Agreement is amended and restated to read as follows:

7.6 *Exchange Listing*. eSpeed will use reasonable best efforts to cause the shares of eSpeed Class A Common Stock to be issued in the Merger and shares reserved for issuance pursuant to the exchange of Holdings Exchangeable Limited Partnership Interests and, if applicable, the Holdings Founding Partner Interests, the Holdings Restricted Exchangeable Interests and the Holdings Working Partner Interests and conversion of eSpeed Class B Common Stock to be approved for listing on the NASDAQ Global Market, subject to official notice of issuance, as promptly as practicable, and in any event before the Effective Time.

7. *NASDAQ Listing*. Section 8.1(b) of the Merger Agreement is amended and restated as follows:

(b) *NASDAQ Listing*. The shares of eSpeed Class A Common Stock to be issued in the Merger and to be issued upon exchange Holdings Exchangeable Limited Partnership Interests and, if applicable, the Holdings Founding Partner Interests, the Holdings Restricted Exchangeable Interests and the Holdings Working Partner Interests and conversion of eSpeed Class B Common Stock shall have been authorized for listing on the NASDAQ Global Market or such other market on which the eSpeed Class A Common Stock is then listed or quoted, subject to official notice of issuance.

8. *Termination*. Section 9.1(b)(i) of the Merger Agreement is amended to replace January 31, 2008 with April 30, 2008.

9. *Governmental Approvals; Third-Party Consents; Conduct of Business*.

(a) *Schedule 4.3* of the BGC Partners Disclosure Schedule is revised as set forth on *Schedule 4.3* to this Amendment.

(b) *Schedule 5.3* of the eSpeed Disclosure Schedule is revised as set forth on *Schedule 5.3* to this Amendment.

10. *Consent for Grant of BGC Partners Restricted Stock Units and Holdings Restricted Exchangeable Interests*. For all purposes of the Merger Agreement, including Section 7.1, the eSpeed Special Committee consents to the grant of rights to receive BGC Partners Restricted Stock Units, with each BGC Partners Restricted Stock Unit exchangeable with the Surviving Corporation for eSpeed Class A Common Stock in accordance with the terms and subject to the conditions set forth in the eSpeed LTIP**,** and the rights to receive Holdings Restricted Exchangeable Interests, with each Holdings Restricted Exchangeable Unit exchangeable

Table of Contents

with the Surviving Corporation for eSpeed Class A Common Stock in accordance with the terms and subject to the conditions set forth in the New Holdings Limited Partnership Agreement and the eSpeed LTIP. The aggregate value of such rights granted prior to the Effective Time shall be no greater than $22,000,000 (with each such right to receive one BGC Partners Restricted Stock Unit or Holdings Restricted Exchangeable Unit valued for these purposes at the closing price of eSpeed Class A Common Stock on the date of the grant of the right).

11. *Representations and Warranties*. Each of the Parties represents and warrants to the other Parties that it has all requisite power and authority to enter into this Amendment and to consummate the transactions contemplated hereby, and that the execution, delivery and performance by it of this Amendment has been duly authorized and approved by it.

12. *Miscellaneous*. Article XI of the Merger Agreement is restated herein in full, with the exception that references to this Agreement shall be references to this Amendment and, in the case of Section 11.8 of the Merger Agreement, this Agreement shall be references to the Merger Agreement and this Amendment.

13. *Remainder of Merger Agreement*. Except as expressly set forth herein, this Amendment shall not by implication or otherwise alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Merger Agreement, all of which shall continue to be in full force and effect.

[Remainder of page left intentionally blank]

Table of Contents

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered by the duly authorized officers of the parties hereto as of the date first written above.

BGC PARTNERS, INC.

By: /s/ Stephen M. Merkel
Name: Stephen M. Merkel
Title: Executive Vice President,

General Counsel and Secretary

ESPEED, INC.

By: /s/ Howard W. Lutnick
Name: Howard W. Lutnick
Title: Chairman, Chief Executive

Officer and President

CANTOR FITZGERALD, L.P.

By: /s/ Howard W. Lutnick
Name: Howard W. Lutnick
Title: Chairman, Chief Executive

Officer and President

BGC PARTNERS, L.P.

By: /s/ Stephen M. Merkel
Name: Stephen M. Merkel
Title: Executive Managing Director

BGC GLOBAL HOLDINGS, L.P.

By: /s/ Stephen M. Merkel
Name: Stephen M. Merkel
Title: Director

BGC HOLDINGS, L.P.

By: /s/ Stephen M. Merkel
Name: Stephen M. Merkel
Title: Executive Managing Director

[Signature Page to Amendment No. 1, dated as of November 5, 2007, to the Merger Agreement,

by and among BGC Partners, Cantor, eSpeed, U.S. Opco, Global Opco and Holdings]

Table of Contents

EXECUTION VERSION

AMENDMENT NO. 2

TO

AGREEMENT AND PLAN OF MERGER

by and among

BGC PARTNERS, INC.,

CANTOR FITZGERALD, L.P.,

ESPEED, INC.,

BGC PARTNERS, L.P.,

BGC GLOBAL HOLDINGS, L.P.,

and

BGC HOLDINGS, L.P.

Amendment dated as of February 1, 2008

Table of Contents

AMENDMENT NO. 2

TO

AGREEMENT AND PLAN OF MERGER

This AMENDMENT NO. 2, dated as of February 1, 2008 (this *Amendment*), to the Agreement and Plan of Merger, dated as of May 29, 2007, as amended by Amendment No. 1 (*Amendment No. 1*), dated as of November 5, 2007 (as amended, the *Merger Agreement*), is by and among BGC Partners, Inc., a Delaware corporation (*BGC Partners*), Cantor Fitzgerald, L.P., a Delaware limited partnership (*Cantor*), eSpeed, Inc., a Delaware corporation (*eSpeed*), BGC Partners, L.P., a Delaware limited partnership (*U.S. Opco*), BGC Global Holdings, L.P., a Cayman Islands exempted limited partnership (*Global Opco*) and BGC Holdings, L.P., a Delaware limited partnership (*Holdings* and together with BGC Partners, Cantor, eSpeed, U.S. Opco and Global Opco, the *Parties* and each, a *Party*).

RECITALS

WHEREAS, the Parties to the Merger Agreement desire to amend and supplement certain terms of the Merger Agreement as described herein; and

WHEREAS, all terms used but not defined herein shall have the meaning ascribed to such terms in the Merger Agreement.

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements contained herein, the Parties hereto agree as follows:

1. *Definitions*. The definitions of Holdings Restricted Exchangeable Interest and Holdings Restricted Exchangeable Unit in Section 1.1 of the Merger Agreement are replaced with the following definitions, and all references therein to Holdings Restricted Exchangeable Interest and Holdings Restricted Exchangeable Unit are hereby replaced with the terms Holdings REU Interest and Holdings REU, respectively:

Holdings REU Interest means a REU Interest as defined in the New Holdings Limited Partnership Agreement.

Holdings REU means a REU as defined in the New Holdings Limited Partnership Agreement.

2. *Exhibits*. Exhibit D to the Merger Agreement (Form of New Holdings Limited Partnership Agreement) is amended and restated to be in substantially the form attached as *Annex A* to this Amendment.

3. *Representations and Warranties*. Each of the Parties represents and warrants to the other Parties that it has all requisite power and authority to enter into this Amendment and to consummate the transactions contemplated hereby, and that the execution, delivery and performance by it of this Amendment has been duly authorized and approved by it.

Table of Contents

4. *Governmental Approvals; Third-Party Consents; Conduct of Business*. *Schedule 4.3* of the BGC Partners Disclosure Schedule is revised as set forth on *Schedule 4.3* to this Amendment.

5. *Conduct of Business*. *Schedule 7.1* of the eSpeed Disclosure Schedule is revised as set forth on *Schedule 7.1* to this Amendment.

6. *Consent for Grant of BGC Partners Restricted Stock Units and Holdings REU Interests*. The last sentence of Section 10 of Amendment No. 1 is amended and restated as follows:

The aggregate value of such rights granted prior to the Effective Time (a) with respect to the fiscal year ended December 31, 2007, shall be no greater than $22,000,000 and (b) with respect to the fiscal year ended December 31, 2008, shall be no greater than $22,000,000; *provided* that for each of clauses (a) and (b), each such right to receive one BGC Partners Restricted Stock Unit or Holdings REU shall be valued for these purposes at the closing price of eSpeed Class A Common Stock on the date of the grant of the right.

7. *Miscellaneous*. Article XI of the Merger Agreement is restated herein in full, with the exception that references to this Agreement shall be references to this Amendment and, in the case of Section 11.8 of the Merger Agreement, this Agreement shall be references to the Merger Agreement and this Amendment.

8. *Remainder of Merger Agreement*. Except as expressly set forth herein, this Amendment shall not by implication or otherwise alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Merger Agreement, all of which shall continue to be in full force and effect.

[Remainder of page left intentionally blank]

Table of Contents

IN WITNESS WHEREOF, this Amendment has been duly executed and delivered by the duly authorized officers of the parties hereto as of the date first written above.

BGC PARTNERS, INC.

By: /s/ Stephen Merkel
Name: Stephen Merkel
Title: Executive Vice President

ESPEED, INC.

By: /s/ Howard Lutnick
Name: Howard Lutnick
Title: Chairman, President and CEO

CANTOR FITZGERALD, L.P.

By: /s/ Howard Lutnick
Name: Howard Lutnick
Title: Chairman, President and CEO

BGC PARTNERS, L.P.

By: /s/ Stephen Merkel
Name: Stephen Merkel
Title: Executive Managing Director

BGC GLOBAL HOLDINGS, L.P.

By: /s/ Stephen Merkel
Name: Stephen Merkel
Title: Director

BGC HOLDINGS, L.P.

By: /s/ Stephen Merkel
Name: Stephen Merkel
Title: Executive Managing Director

[Signature Page to Amendment No. 2, dated as of February 1, 2008, to the Merger Agreement,

by and among BGC Partners, Cantor, eSpeed, U.S. Opco, Global Opco and Holdings]

Table of Contents

Annex B

FORM OF

SEPARATION AGREEMENT

by and among

CANTOR FITZGERALD, L.P.,

BGC PARTNERS, LLC,

BGC PARTNERS, L.P.,

BGC GLOBAL HOLDINGS, L.P.,

and

BGC HOLDINGS, L.P.

Dated as of [•], 2008

Table of Contents

TABLE OF CONTENTS

Table of Contents

Table of Contents

SEPARATION AGREEMENT

This SEPARATION AGREEMENT, dated as of **[•]**, 2008 (this *Agreement*), is by and among Cantor Fitzgerald, L.P., a Delaware limited partnership (*Cantor*), BGC Partners, LLC, a Delaware limited liability company (*BGC Partners*), BGC Partners, L.P., a Delaware limited partnership (*U.S. Opco*), BGC Global Holdings, L.P., a Cayman Islands exempted limited partnership (*Global Opco*), BGC Holdings, L.P., a Delaware limited partnership (*Holdings*, and together with Cantor, BGC Partners, U.S. Opco and Global Opco, the *Parties* and each, a *Party*).

W I T N E S S E T H:

WHEREAS, Cantor is engaged through certain of its Subsidiaries in the Inter-Dealer Brokerage Business, the Market Data Business, and the Fulfillment Business (such businesses, collectively referred to as the *Transferred Businesses* and each, a *Transferred Business*);

WHEREAS, the general partner of Cantor has determined that it is in the best interests of Cantor and its partners to separate the Transferred Businesses from the other businesses of Cantor (the *Retained Businesses*) so that, as of the Closing Date, the Transferred Businesses are held by BGC Partners through its two operating subsidiaries, U.S. Opco and Global Opco, and the Subsidiaries of U.S. Opco and Global Opco, and so that the Retained Businesses are held by Cantor and its Subsidiaries (other than BGC Partners and its Subsidiaries);

WHEREAS, to effect such separation, Cantor desires to (and to cause its applicable Subsidiaries to) contribute, convey, transfer, assign and deliver to BGC Partners and its applicable Subsidiaries, and BGC Partners desires to (and to cause its applicable Subsidiaries to) accept and assume from Cantor and its applicable Subsidiaries, all of Cantor s and its Subsidiaries right, title and interest in, to and under certain of the Assets and Liabilities relating to the Transferred Businesses, in each case on the terms and subject to the conditions of this Agreement (the *Contribution*); and

WHEREAS, the Parties are entering into this Agreement to set forth the principal transactions required to effect, and the principal terms and conditions of, the Contribution.

NOW, THEREFORE, in consideration of the mutual promises hereinafter set forth and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound thereby, the Parties agree as follows:

ARTICLE I

DEFINITIONS; INTERPRETATION

Section 1.01 *Defined Terms*. For the purposes of this Agreement, the following terms shall have the following meanings:

Action means any action, claim, suit, litigation, proceeding (including arbitral) or investigation.

Affiliate means, with respect to any Person, any other Person that directly, or through one or more intermediaries, controls or is controlled by or is under common control with such Person; *provided*, *however*, that, for purposes of this Agreement, as of and after the Closing, no member of a Group shall be deemed to be an Affiliate of any member of another Group as a result of the control relationship between such members.

Agreement has the meaning set forth in the preamble, and includes any amendments or modifications to this Agreement after the date hereof.

Table of Contents

Ancillary Agreements means, collectively, the New U.S. Opco Limited Partnership Agreement, the New Global Opco Limited Partnership Agreement, the New Holdings Limited Partnership Agreement, the Cantor Administrative Services Agreement, the Tower Bridge Administrative Services Agreement, Registration Rights Agreement and the Tax Receivable Agreement.

Applicable Law means any Law applicable to any of the Parties or any of their respective Affiliates, directors, officers, employees, properties or Assets.

Asset means any asset, property, right, Contract and claim, whether real, personal or mixed, tangible or intangible, of any kind, nature and description, whether accrued, contingent or otherwise, and wheresoever situated and whether or not carried or reflected, or required to be carried or reflected, on the books of any Person.

BGC Partners has the meaning set forth in the preamble (it being understood that, after the Merger, each reference to BGC Partners in this Agreement shall refer to the Surviving Company).

BGC Partners Class A Common Stock means the Class A common stock, par value $0.01 per share, of BGC Partners.

BGC Partners Class B Common Stock means the Class B common stock, par value $0.01 per share, of BGC Partners.

BGC Partners Class C Common Stock means the Class C common stock, par value $0.01 per share, of BGC Partners.

BGC Partners Common Stock means (a) prior to the Merger, the limited liability company interests of BGC Partners; and (b) on and after the Merger, the BGC Partners Class A Common Stock, the BGC Partners Class B Common Stock and BGC Partners Class C Common Stock, as applicable.

BGC Partners Group means BGC Partners and its Subsidiaries (other than Holdings and its Subsidiaries and the Opcos and their respective Subsidiaries).

BGC Partners Indemnitees has the meaning set forth in Section 5.02(a).

BGC Partners Ratio means, as of any time, the number equal to (a) the aggregate number of U.S. Opco Units held by the BGC Partners Group as of such time *divided by* (b) the aggregate number of shares of BGC Partners Common Stock issued and outstanding as of such time.

Business Day shall mean any day excluding Saturday, Sunday and any day on which banking institutions located in New York, New York are authorized or required by Applicable Law or other governmental action to be closed.

Business Employee means any individual who, immediately prior to the Closing, is employed by, engaged directly and primarily in or, after taking into account the services to be provided under the Cantor Administrative Services Agreement and the Tower Bridge Administrative Services Agreement, necessary for the conduct of a Transferred Business (including any such individuals on short-term or long-term disability leave or another approved leave of absence), other than any individual employed by the Cantor Companies primarily in a corporate function or executive level position who performs services for the Cantor Companies, eSpeed and BGC Partners Group.

Cantor has the meaning set forth in the preamble.

Cantor Administrative Services Agreement means the Administrative Services Agreement between Cantor and BGC Partners, substantially in the form attached as *Exhibit A*.

Table of Contents

Cantor Companies means Cantor and its Subsidiaries (other than BGC Partners and any of its Subsidiaries). For the avoidance of doubt, any Transferred Entity shall not be treated as a Cantor Company after the Contribution.

Cantor Group means Cantor and its Subsidiaries (other than any member of the Holdings Group or the BGC Partners Group).

Cantor Indemnitees has the meaning set forth in Section 5.03(a).

Change of Control of Cantor means the consummation of any transaction involving any purchase or acquisition (by merger, recapitalization or otherwise) by a Person of (a) securities or contractual rights entitling such Person to elect the general partner or a majority of the governing body of Cantor, (b) the general partnership interest of Cantor, or (c) all or substantially all of the assets of Cantor and its Subsidiaries, taken together as a whole; *provided*, *however*, that any such purchase or acquisition shall not constitute a Change of Control of Cantor if and so long as (i) any entity controlled by Howard W. Lutnick shall be (or be entitled to elect) the general partner or governing body of Cantor following such purchase or acquisition, (ii) Howard W. Lutnick shall be the chief executive officer or head of any division constituting or containing substantially all of Cantor s businesses following such purchase or acquisition, or (iii) such purchase or acquisition is by Howard W. Lutnick s spouse, estate, descendants, relatives or trust established for Howard W. Lutnick s benefit or for the benefit of his spouse, any of his descendants or any of his relatives.

Closing has the meaning set forth in Section 2.04.

Closing Date has the meaning set forth in Section 2.04.

Code means the Internal Revenue Code of 1986, as amended, or any successor statute thereto.

Contingent Obligation means, as applied to any Person, any direct or indirect liability of that Person with respect to any Indebtedness, lease, dividend, guaranty, letter of credit or other obligation, contractual or otherwise (the *primary obligation*) of another Person (the *primary obligor*), whether or not contingent, (a) to purchase, repurchase or otherwise acquire such primary obligations or any property constituting direct or indirect security therefor, (b) to advance or provide funds (i) for the payment or discharge of any such primary obligation, or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency or any balance sheet item, level of income or financial condition of the primary obligor, or (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof.

Contract means any agreement, contract, obligation, license, lease, promise or undertaking (whether written or oral and whether express or implied).

Contribution has the meaning set forth in the recitals.

Copyrights means any foreign or United States copyright registrations and applications for registration thereof, and any non-registered copyrights.

Covered Information has the meaning set forth in Section 4.04(a).

Current Market Price means, as of any date: (a) if shares of BGC Partners Class A Common Stock are listed on an internationally recognized stock exchange, the average of the closing price per share of BGC Partners Class A Common Stock on each of the 10 consecutive trading days ending on such date, (it being

Table of Contents

understood that such price shall be appropriately adjusted in the event that there is a stock dividend or stock split during such 10-consecutive-trading-day period) or (b) if shares of BGC Partners Class A Common Stock are not listed on an internationally recognized stock exchange, the fair value of a share of BGC Partners Class A Common Stock as agreed in good faith by Cantor and the Audit Committee of BGC Partners.

Effective Time has the meaning set forth in Section 2.05.

Election has the meaning set forth in Section 4.11(b)(iv).

eSpeed means eSpeed, Inc., a Delaware corporation.

Excluded Assets has the meaning set forth in Section 2.01(b).

Excluded Liabilities has the meaning set forth in Section 2.02(b).

Founding Partners has the meaning set forth in Section 2.7(c).

Fulfillment Business means the business of providing Clearance, Settlement and Fulfillment Services (as defined in the Joint Services Agreement).

Global Opco has the meaning set forth in the preamble.

Global Opco Capital means Capital as defined in the New Global Opco Limited Partnership Agreement.

Global Opco General Partner means General Partner as defined in the New Global Opco Limited Partnership Agreement.

Global Opco Group Percentage Interest means Group Percentage Interest as defined in the New Global Opco Limited Partnership Agreement.

Global Opco Limited Partnership Interest means the Limited Partnership Interest as defined in the New Global Opco Limited Partnership Agreement.

Global Opco Regular Limited Partnership Interests means Regular Limited Partnership Interests as defined in the New Global Opco Limited Partnership Agreement.

Global Opco Regular Partnership Units means Regular Partnership Units as defined in the New Global Opco Limited Partnership Agreement.

Global Opco Units means Units as defined in the New Global Opco Limited Partnership Agreement.

Governmental Authority means the government of any nation, state, city, locality or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including, the National Association of Securities Dealers, Inc. and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing.

Group means the Cantor Group, the BGC Partners Group, the Opco Group and the Holdings Group, as applicable.

Holdings has the meaning set forth in the preamble.

Holdings Capital means Capital as defined in the New Holdings Limited Partnership Agreement.

Table of Contents

Holdings Exchangeable Limited Partnership Interest means an Exchangeable Limited Partnership Interest as defined in the New Holdings Limited Partnership Agreement.

Holdings Founding Partner Interests has the meaning set forth in Section 2.7(c).

Holdings Group means Holdings and its Subsidiaries (other than any member of the Opco Group).

Holdings Indemnitees has the meaning set forth in Section 5.02(c).

Holdings Limited Partnership Interest means Limited Partnership Interest as defined in the New Holdings Limited Partnership Agreement.

Holdings Ratio means, as of any time, the number equal to (a) the aggregate number of U.S. Opco Units held by the Holdings Group as of such time *divided by* (b) the aggregate number of Holdings Units issued and outstanding as of such time.

Holdings Units means Units as defined in the New Holdings Limited Partnership Agreement.

Indebtedness means, as to any Person, (a) all obligations of such Person for borrowed money (including reimbursement and all other obligations with respect to surety bonds, letters of credit and bankers acceptances, whether or not matured), (b) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable and accrued commercial or trade liabilities arising in the ordinary course of business, (c) all interest rate and currency swaps, caps, collars and similar agreements or hedging devices under which payments are obligated to be made by such Person, whether periodically or upon the happening of a contingency, (d) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property), (e) all obligations of such Person under leases which have been or should be, in accordance with U.S. GAAP, recorded as capital leases, (f) all indebtedness secured by any Lien (other than Liens in favor of lessors under leases other than leases included in clause (e)) on any property or asset owned or held by that Person regardless of whether the indebtedness secured thereby shall have been assumed by that Person or is non-recourse to the credit of that Person, and (g) any Contingent Obligation of such Person.

Indebtedness Guarantee has the meaning set forth in Section 2.02(b)(iii).

Indemnifiable Losses means all after-Tax Liabilities suffered or incurred by an Indemnitee, including any reasonable fees, costs or expenses of enforcing any indemnity hereunder; *provided*, *however*, that *Indemnifiable Losses* shall not include any Special Damages except if and to the extent awarded in an Action involving a Third Party Claim against such Indemnitee.

Indemnitee means any of the Cantor Indemnitees, the BGC Partners Indemnitees, the U.S. Opco Indemnitees, the Global Opco Indemnitees and the Holdings Indemnitees, as the case may be.

Indemnity Payment has the meaning set forth in Section 5.08(a).

Information means all information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including studies, reports, records, books, Contracts, instruments, surveys, discoveries, ideas, concepts, know how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other software, marketing plans, customer names, communications by or to attorneys, memos and other materials prepared by attorneys or under their direction (including attorney work product), and other technical, financial, legal, employee or business information or data.

Table of Contents

Insurance Proceeds means amounts (a) received by an insured from an insurance carrier; (b) paid by an insurance carrier on behalf of the insured; or (c) received (including by way of set-off) from any third party in the nature of insurance, contribution or indemnification in respect of any Liability, in each of cases (a), (b) and (c), net of any applicable premium adjustments (including reserves and retrospectively rated premium adjustments) and net of any costs or expenses incurred in the collection thereof.

Intellectual Property means, collectively, all Copyrights, Patents, Trade Secrets, Trademarks, Internet Assets, Software and other proprietary rights.

Inter-Dealer Brokerage Business means the voice brokerage services of Cantor and the Cantor Subsidiaries, including the business of providing voice brokerage services to wholesale, inter-dealer markets in a broad range of products and services, including brokerage services for fixed income securities, foreign exchange, asset-backed securities, interest rate swaps and derivatives and access to trading services from eSpeed, Cantor s U.S.-based electronic trading platform, the non-U.S. business of acting as a broker in sovereign debt securities, Eurobonds, securities repurchase agreements, interest rate swaps, interest rate options, asset swaps, spot and forward foreign exchange, currency options, credit derivatives, base metal derivatives, equity derivatives and exchange traded financial futures and option Contracts for dealers and institutions worldwide, the business of acting as an introducing broker, name-passing broker or in a principal activity, and the business of certain limited dealing (proprietary trading services); *provided*, *however*, that *Inter-Dealer Brokerage Business* shall not include (i) the business of transactions in environmental brokerage services and the businesses conducted by Cantor CO2e, LLC, a Delaware limited liability company, and CantorCO2e Brokerage, L.P., a Delaware limited partnership, and their respective Subsidiaries (including the business of delivering market-based solutions in environmental brokerage, emissions neutral solutions, trading and risk management tolls and advice and market making information and the business of operating electronic trading markets for products related to the mitigation of greenhouse gasses and related activities and providing brokerage information, and the business of providing consulting services relating to the emission or mitigation of greenhouse gasses, renewable energy and related issues), and (ii) the equity derivatives inter-dealer brokerage business of the Equities Division of Cantor.

Internet Assets means any Internet domain names and other computer user identifiers and any rights in and to sites on the worldwide web, including rights in and to any text, graphics, audio and video files and html or other code incorporated in such sites.

Joint Services Agreement means the Amended and Restated Joint Services Agreement, dated as of October 1, 2005, by and between Cantor and eSpeed, as amended.

Law means any federal, state, local, municipal or foreign (including supranational) law, statute, ordinance, rule, regulation, judgment, order, injunction, decree, arbitration award, agency requirement, license or permit of any Governmental Authority.

Liabilities means any and all losses, liabilities, claims, charges, debts, demands, actions, causes of action, suits, damages, fines, penalties, offsets, obligations, payments, costs and expenses, sums of money, bonds, indemnities and similar obligations, covenants, Contracts, controversies, agreements, promises, omissions, guarantees, make whole agreements and similar obligations, and other liabilities, including all contractual obligations, whether absolute or contingent, inchoate or otherwise, matured or unmatured, liquidated or unliquidated, accrued or unaccrued, known or unknown, whenever arising, and including those arising under any Law, Action or threatened or contemplated Action (including the costs and expenses of demands, assessments, judgments, settlements and compromises relating thereto and attorneys fees and any and all costs and expenses reasonably incurred in investigating, preparing or defending against any such Actions or threatened or contemplated Actions), order or consent decree of any Governmental Authority or any award of any arbitrator or mediator of any kind, and those arising under any Contract, commitment or undertaking, including those arising under this Agreement or any Ancillary Agreement, in each case, whether or not recorded or reflected or required to be recorded or reflected on the books and records or financial statements of any Person.

Table of Contents

License has the meaning set forth in Section 4.13.

Lien means, whether arising under any Contract or otherwise, any debts, claims, security interests, liens, encumbrances, pledges, mortgages, retention agreements, hypothecations, rights of others, assessments, restrictions, voting trust agreements, options, rights of first offer, proxies, title defects, and charges or other restrictions or limitations of any nature whatsoever.

Market Data Business means the market data services of Cantor, BGC Partners and their respective Subsidiaries with respect to the business of providing market data arising from transactions (other than transactions executed on a futures or securities exchange or other market) in the Inter-Dealer Brokerage Business.

Merger Agreement means the Agreement and Plan of Merger, dated as of May 29, 2007, among BGC Partners, Holdings, eSpeed, U.S. Opco and Global Opco.

Merger means the merger of BGC Partners and eSpeed set forth in the Merger Agreement.

New BGC Partners has the meaning set forth in Section 4.10.

New BGC Partners Merger has the meaning set forth in Section 4.10.

New BGC Sub has the meaning set forth in Section 4.10.

New Global Opco Limited Partnership Agreement means the Amended and Restated Limited Partnership Agreement of BGC Global Holdings, L.P., substantially in the form attached as *Exhibit B*.

New Holdings Limited Partnership Agreement means the Amended and Restated Limited Partnership Agreement of BGC Holdings, L.P., substantially in the form attached as *Exhibit C*.

New U.S. Opco Limited Partnership Agreement means the Amended and Restated Limited Partnership Agreement of BGC Partners, L.P., substantially in the form attached as *Exhibit D*.

Notice has the meaning set forth in Section 4.11(b)(iii).

Opco Group means U.S. Opco, Global Opco and their respective Subsidiaries (including, after the Closing, any Transferred Entities that are Subsidiaries of U.S. Opco and Global Opco).

Opco Indemnitees has the meaning set forth in Section 5.02(b).

Opcos means, jointly and severally, U.S. Opco and Global Opco.

Parties and *Party* have the meanings set forth in the preamble.

Patents means any foreign or United States patents and patent applications, including any divisions, continuations, continuations-in-part, substitutions or reissues thereof, whether or not patents are issued on such applications and whether or not such applications are modified, withdrawn or resubmitted.

Percentage Adjustment has the meaning set forth in Section 4.11(b)(i).

Person means any individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, Governmental Authority or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

Table of Contents

Per Unit Price means, as of any time, the quotient obtained by dividing the Current Market Price as of such time by the BGC Partners Ratio as of such time.

Pre-Contribution Loan has the meaning set forth in Section 2.07(e).

Purchase Consideration has the meaning set forth in Section 4.11(b)(iv).

Purchase Right has the meaning set forth in Section 4.11(b)(i).

Purchase Right Party has the meaning set forth in Section 4.11(b)(i).

Receiving Party has the meaning set forth in Section 4.11(b)(i).

Registration Rights Agreement means the Registration Rights Agreement in the form attached hereto as *Exhibit E*.

Representatives has the meaning set forth in Section 4.04(a).

Retained Business has the meaning set forth in recitals.

Select Persons has the meaning set forth in Section 2.07(d).

Software means any computer software programs, source code, object code, data and documentation, including, without limitation, any computer software programs that incorporate and run the BGC Partners pricing models, formulae and algorithms.

Special Allocation Losses means all out-of-pocket Liabilities actually suffered or incurred by a Party, including any reasonable fees, costs or expenses of enforcing any indemnity hereunder.

Special Damages means any special, indirect, incidental, punitive or consequential damages whatsoever, including damages for lost profits and lost business opportunities or damages calculated based upon a multiple of earnings approach or variant thereof.

Subsidiary of any Person means, as of the relevant date of determination, any other Person of which 50% or more of the voting power of the outstanding voting equity securities or 50% or more of the outstanding economic equity interest is owned, directly or indirectly, by such first Person.

Surviving Company means the surviving entity in the Merger.

Taxes means any federal, state, provincial, county, local, foreign and other taxes (including, without limitation, income, profits, windfall profits, alternative or add-on, minimum, accumulated earnings, environmental, personal holding company, capital stock, capital gains, premium, estimated, excise, stamp, registration, sales, use, license, occupancy, occupation, gross receipts, franchise, ad valorem, severance, capital levy, production, transfer, withholding, employment, unemployment compensation, social security (or similar), payroll and property taxes, import duties and other governmental charges and assessments), whether or not measured in whole or in part by net income, and including deficiencies, interest, additions to tax or interest, and penalties with respect thereto.

Tax Receivable Agreement means the Tax Receivable Agreement between Cantor and BGC Partners, to be entered into pursuant to the terms set forth on *Exhibit F*.

Tax Return means any return, declaration, report, claim for refund or information return or statement filed or required to be filed with any taxing authority relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof.

Table of Contents

Third-Party Claim has the meaning set forth in Section 5.07(a).

Tower Bridge shall mean Tower Bridge International Services L.P., a U.K. limited partnership.

Tower Bridge Administrative Services Agreement means the Administrative Services Agreement between Tower Bridge and BGC Partners, substantially in the form attached as *Exhibit G*.

Trademarks means any foreign or United States trademarks, service marks, trade dress, trade names, brand names, designs and logos, corporate names, product or service identifiers, whether registered or unregistered, and all registrations and applications for registration thereof.

Trade Secrets means any trade secrets, research records, business methods, processes, procedures, manufacturing formulae, technical know-how, technology, blue prints, designs, plans, inventions (whether patentable and whether reduced to practice), invention disclosures and improvements thereto.

Transferred Assets has the meaning set forth in Section 2.01(a).

Transferred Business and *Transferred Businesses* have the meanings set forth in the recitals.

Transferred Business Employees has the meaning set forth in Section 6.01.

Transferred Entities means any Person, where a majority of the equity interest of such Person is part of the Transferred Assets, and any Subsidiary of such Person.

Transferred Liabilities has the meaning set forth in Section 2.02(a).

U.S. GAAP means United States generally accepted accounting principles in effect from time to time.

U.S. Opco has the meaning set forth in the preamble.

U.S. Opco Capital means Capital as defined in the New U.S. Opco Limited Partnership Agreement.

U.S. Opco General Partner means General Partner as defined in the New U.S. Opco Limited Partnership Agreement.

U.S. Opco Group Percentage Interest means Group Percentage Interest as defined in the New U.S. Opco Limited Partnership Agreement.

U.S. Opco Limited Partnership Interest means the Limited Partnership Interest as defined in the New U.S. Opco Limited Partnership Agreement.

U.S. Opco Regular Limited Partnership Interests means Regular Limited Partnership Interests as defined in the New U.S. Opco Limited Partnership Agreement.

U.S. Opco Regular Partnership Units means Regular Partnership Units as defined in the New Global Opco Limited Partnership Agreement.

U.S. Opco Units means Units as defined in the New U.S. Opco Limited Partnership Agreement.

Table of Contents

Section 1.02 *Other Definitions*. Wherever required by the context of this Agreement, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa, and references to any agreement, document or instrument shall be deemed to refer to such agreement, document or instrument as amended, supplemented or modified from time to time. When used herein:

(a) the word *or* is not exclusive unless the context clearly requires otherwise;

(b) the word *control* (including, with correlative meanings, the terms *controlled by* and *under common control with*), as used with respect to any Person, means the direct or indirect possession of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by Contract or otherwise;

(c) the words *including*, *includes*, *included* and *include* are deemed to be followed by the words *without limitation* ;

(d) the terms *herein*, *hereof* and *hereunder* and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision; and

(e) all section, paragraph or clause references not attributed to a particular document shall be references to such parts of this Agreement, and all exhibit, annex and schedule references not attributed to a particular document shall be references to such exhibits, annexes and schedules to this Agreement.

Section 1.03 *Absence of Presumption*. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the Party drafting or causing any instrument to be drafted.

Section 1.04 *Headings*. The section and article headings contained in this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement. All references to Sections or Articles contained herein mean Sections or Articles of this Agreement unless otherwise stated.

ARTICLE II

CONTRIBUTION

Section 2.01 *Contribution of Transferred Assets*. (a) At the Closing, and subject to the terms and conditions set forth herein, including Section 2.01(b), Cantor will contribute, convey, transfer, assign and deliver, or cause one or more of its Subsidiaries to contribute, convey, transfer, assign and deliver, to BGC Partners or one or more of its Subsidiaries in a manner that is expected to be Tax-free to each of BGC Partners, its Subsidiaries and the Transferred Entities, and BGC Partners or one or more of its Subsidiaries will acquire and accept from Cantor or its applicable Subsidiaries, all of the right, title and interest of Cantor or its applicable Subsidiaries in, to and under the following Assets (collectively, the *Transferred Assets*) (other than any of the following to the extent it is an Excluded Asset):

(i) *Equity Interests.* The equity interests set forth on *Schedule 2.01(a)(i)*;

(ii) *Contracts*. The Contracts set forth on *Schedule 2.01(a)(ii)* and employment agreements with any Transferred Business Employee;

(iii) *Certain Rights under the Joint Services Agreement*. All of Cantor s rights and obligations under Sections 3 and 4 of the Joint Services Agreement to the extent related to the Inter-Dealer Brokerage Business, including its rights and obligations in respect of Clearance, Settlement and Fulfillment Services to the extent related to the Inter-Dealer Brokerage Business;

Table of Contents

(iv) *Intellectual Property*. All Intellectual Property primarily related to the Transferred Business, including the Intellectual Property set forth on *Schedule 2.01(a)(iv)*;

(v) *Books and Records*. All books and records (other than Tax Returns), files, papers, tapes, disks, manuals, keys, reports, plans, catalogs, sales and promotional materials, and all other printed and written materials, to the extent available and primarily related to the Transferred Business; and

(vi) *Permits and Licenses.* All permits or licenses issued by any Governmental Authority to the extent primarily related to the Transferred Business and permitted by Applicable Law to be transferred.

(b) Notwithstanding anything to the contrary contained in this Agreement, Cantor and its Subsidiaries will retain ownership of the following Assets, which Assets shall be excluded from the Transferred Assets and shall not be contributed, conveyed, transferred, assigned or delivered hereunder (collectively, the *Excluded Assets*):

(i) *Cash and Cash Equivalents*. All cash, cash equivalents and marketable securities (including any cash, cash equivalents and marketable securities held by any Transferred Entity), except for cash borrowed pursuant to the Pre-Contribution Loan;

(ii) *Litigation Claims; Insurance Recoveries.* Any litigation claim or insurance recovery relating to the matters set forth on *Schedule 2.01(b)(ii)*, and any insurance policy and proceeds covering any Excluded Asset or any Excluded Liability;

(iii) *Equity Interests*. Any equity interest set forth on *Schedule 2.01(b)(iii)*;

(iv) *Intellectual Property.* All Intellectual Property or hardware of Cantor and any of its Subsidiaries not primarily used in the Transferred Business, including any rights (ownership, licensed or otherwise) to use the mark Cantor or Cantor Fitzgerald name and any other trademarks, service marks, brand names, Internet domain names, logos, trade dress, trade names, corporate names and other indicia of origin, and any derivatives of the foregoing, and all registrations and applications for registration of any of the foregoing, in each case, not primarily related to the Transferred Business, and all goodwill associated with and symbolized by the foregoing;

(v) *Books and Records.* All books, records and other data that cannot, without unreasonable effort or expense, be separated from books and records maintained by Cantor or any of its Subsidiaries in connection with businesses other than the Transferred Businesses or to the extent that such books, records and other data relate to Excluded Assets, Excluded Liabilities or Business Employees who do not become Transferred Business Employees, and all personnel files and records; and

(vi) *Retained Business*. Any Asset relating to a Retained Business (other than any Asset set forth in clauses (i) through (vi) of Section 2.01(a)).

Section 2.02 *Assumption of Transferred Liabilities*. (a) From and after the Closing, BGC Partners and its applicable Subsidiaries will assume and be liable for (or cause the appropriate member or members of the Opco Group to assume and be liable for), and will pay, perform and discharge (or will cause the appropriate member or members of the Opco Group to pay, perform and discharge) as they become due, all of the Liabilities set forth in this Section 2.02(a), other than any Excluded Liability (collectively, the *Transferred Liabilities*):

(i) *Transferred Assets; Transferred Business.* All Liabilities primarily relating to, arising from or in connection with any Transferred Business or any Transferred Asset, regardless of when or where such Liability arose, whether the facts on which they are based occurred prior to or subsequent to the Closing Date, and regardless of where or against whom such Liability is asserted or determined;

(ii) *Certain Obligations under the Joint Services Agreement*. All of Cantor s Liabilities under Sections 3 and 4 of the Joint Services Agreement primarily related to the Inter-Dealer Brokerage Business, including Liabilities related to its rights and obligations in respect of Clearance, Settlement and Fulfillment Services primarily related to the Inter-Dealer Brokerage Business;

Table of Contents

(iii) *Employee Liabilities.* All Liabilities primarily relating to, arising from or in connection with the Transferred Business Employees and their employment, including all compensation, benefits, severance, workers compensation and welfare benefit claims (it being understood that Liabilities under (A) insured welfare benefit arrangements maintained by the Cantor Companies in which the BGC Partners and its subsidiaries participate and (B) the eSpeed, Inc. Deferred Plan for Employees of Cantor Fitzgerald, L.P. and its Affiliates) shall be assumed (1) on the same basis as such Liabilities have historically been allocated to the BGC Partners and its subsidiaries in the ordinary course prior to the Closing Date and (2) otherwise to the same extent as applied to BGC Partners and its subsidiaries in their capacity as participating employers under such arrangements prior to the Closing Date) and other employment-related Liabilities primarily arising from or relating to the conduct of any Transferred Business; and

(iv) *Indebtedness*. The Indebtedness set forth on *Schedule 2.02(a)(iv).*

BGC Partners obligations under this Section 2.02(a) shall in no way derogate from the obligations of Cantor under the Merger Agreement.

(b) Notwithstanding anything to the contrary set forth in this Agreement, Cantor and its Subsidiaries will retain and be liable for, and will pay, perform and discharge as they become due, the following Liabilities and obligations, and such Liabilities and obligations shall not be assumed by BGC Partners or any of its Subsidiaries pursuant to this Agreement and shall be excluded from the Transferred Liabilities (collectively, the *Excluded Liabilities*):

(i) *Liabilities Relating to Excluded Assets or Retained Business.* Any Liability of Cantor or any of its Subsidiaries to the extent relating to any Excluded Asset or any Retained Business (other than any Liability set forth in clauses (i) through (v) of Section 2.02(a));

(ii) *Indebtedness Guarantee*. Any guarantee by a member of the Cantor Group to a third party in respect of the Indebtedness set forth on *Schedule 2.02(b)(ii)* (such guarantee, the *Indebtedness Guarantees*); and

(iii) *Other Excluded Liabilities.* The Liabilities set forth on *Schedule 2.02(b)(iii).*

Section 2.03 *Actions to Effect the Contribution*. The Parties acknowledge and agree that the Contribution shall be effected in accordance with the steps set forth on *Schedule 2.03*, and that effecting the Contribution in accordance with such steps is intended to result in a Tax-free transfer to each of BGC Partners, its Subsidiaries and the Transferred Entities. If, prior to such Contribution, either Cantor or BGC Partners concludes that any of the steps set forth on *Schedule 2.03* will result in a material amount of Taxes to any of BGC Partners, its Subsidiaries or the Transferred Entities, Cantor shall restructure such Contribution to minimize any such Taxes to each of BGC Partners, its Subsidiaries and the Transferred Entities in respect of each of the steps set forth on *Schedule 2.03*.

Section 2.04 *Closing*. The closing of the Contribution (the *Closing*) shall take place at a.m., New York, New York time, on , 2008 (the *Closing Date*), at the offices of Wachtell, Lipton, Rosen & Katz, 51 West 52nd Street, New York, New York 10019.

Section 2.05 *Title; Risk of Loss*. Title, risk of loss and/or responsibility with respect to, each Transferred Asset and Transferred Liability shall transfer from Cantor and its applicable Subsidiaries to BGC Partners and its applicable Subsidiaries at a.m., New York time, on the Closing Date (the *Effective Time*).

Section 2.06 *Further Documentation*. At the Closing, the Parties shall execute and deliver, and shall cause their appropriate Subsidiaries to execute and deliver, one or more agreements of assignment and assumption and/or bills of sale or such other instruments of transfer as Cantor may request for the purpose of effectuating the Contribution.

Table of Contents

Section 2.07 *Other Actions in Connection with the Contribution*.

(a) *Transfer of Assets to Tower Bridge*. Concurrently with, prior to or after the Effective Time, Cantor shall have or will contribute, convey, transfer, assign and deliver, or cause one or more of its Subsidiaries to contribute, convey, transfer, assign and deliver, to Tower Bridge, and Tower Bridge shall have acquired and accepted or will acquire and accept from Cantor or its applicable Subsidiaries, all of the right, title and interest of Cantor or its applicable Subsidiaries in, to and under the Assets set forth on *Schedule 2.07(a)*, and Tower Bridge will provide certain services to Cantor and BGC Partners and their respective Subsidiaries on the terms and subject to the conditions set forth in the Tower Bridge Administrative Services Agreement.

(b) *Ancillary Agreements.* Concurrently with or prior to the Effective Time, the Parties will, or will cause their applicable Subsidiaries to, enter into and execute each of the other Ancillary Agreements. Each Ancillary Agreement that is an amended and restated agreement shall replace the existing version of the agreement that it amends and restates.

(c) *Redemption of Cantor Partners.* The Parties acknowledge that, prior to, concurrently with and after the Effective Time, Cantor may redeem certain limited partnership interests in Cantor held by certain of its limited partners for (1) new limited partnership interests and/or other interests or rights in Cantor, including distribution rights to receive BGC Partners Common Stock held by Cantor or its Subsidiaries (the *Distribution Rights*), (2) BGC Partners Common Stock, cash and/or other property or assets held by Cantor or its Subsidiaries and/or (3) limited partnership interests in Holdings, in each case, on terms and subject to the conditions to be determined by Cantor (the Persons who receive limited partnership interests in Holdings pursuant to this redemption, the *Founding Partners* and the limited partnership interests in Holdings held by such Founding Partners, which may be one or more different classes of interests in Holdings, the *Holdings Founding Partner Interests*); *provided*, *however*, that no action may be taken pursuant to this Section 2.07(c) if such action would (i) adversely affect the Surviving Company s economic interest in the Opcos (ii) adversely affect the Surviving Company s governance rights over the Opcos or (iii) impose additional material Tax on the Surviving Company, in each case as compared to the Surviving Company s position if such action had not been taken.

(d) *Repurchase of Certain BGC Common Stock and Repayment by Select Persons of Certain Obligations*. The Parties acknowledge that, prior to, concurrently with and after the Effective Time, but prior to the Merger, certain limited partners of Cantor and certain Founding Partners (the *Select Persons*) may (1) sell to a Cantor Company for cash all or a portion of the Distribution Rights and/or Holdings Founding Partner Interests held by such Select Persons, (2) have some or all of their limited partnership interest in Cantor redeemed by a Cantor Company for cash, BGC Partners Common Stock and/or other property or assets held by Cantor or its Subsidiaries and/or (3) sell to BGC Partners for cash all or a portion of the BGC Partners Common Stock held by such Select Persons (including BGC Partners Common Stock that such Select Persons hold as a result of the Distribution Rights). The aggregate net proceeds that each Select Person shall receive as a result of such sale may be used by such Select Persons to (i) repay certain loans made from Cantor or its Subsidiaries to such Select Persons, (ii) eliminate certain obligations owed to Cantor or its Subsidiaries in respect of existing partnership interests issued to such Select Persons, (iii) repay certain loans made from third-parties to such Select Persons, which loans are guaranteed by Cantor or its Subsidiaries, and/or (iv) pay for Taxes that may be incurred as a result of the transactions contemplated by this Section 2.07(d), including the grant of such Distribution Rights or Holdings Founding Partner Interests, the issuance of BGC Partners Common Stock, and/or the sale of the BGC Partners Common Stock. The Cantor Company acquiring such Holdings Founding Partner Interests (which shall become Holdings Exchangeable Limited Partnership Interests) may then exchange such Holdings Exchangeable Limited Partnership Interests for shares of BGC Partners Common Stock, which shares shall be redeemed by BGC Partners prior to the Merger for an amount of cash equal to the cash paid by the Cantor Companies to the Select Persons in respect of such interests; and the Cantor Company acquiring such Distribution Rights may then have the shares of BGC Partners Common Stock underlying such distribution rights redeemed by BGC Partners prior to the Merger for an amount of cash equal to the cash paid by the Cantor Companies to the Select Persons in respect of such Distribution Rights.

Table of Contents

(e) *The Pre-Contribution Loan.* Prior to the Contribution, one or more members of the BGC Partners Group may borrow an amount of cash up to the aggregate amount of cash in the BGC Partners Group prior to the Contribution (the *Pre-Contribution Loan*).

ARTICLE III

NO REPRESENTATIONS OR WARRANTIES

Section 3.01 *No Representations or Warranties*. BGC Partners, on behalf of itself and all of its Subsidiaries (including, after the Effective Time, the Transferred Entities) and their respective Representatives, understands and agrees that none of Cantor, any other Cantor Company or any of their respective Representatives or any other Person is, in this Agreement or in any other agreement, document or instrument, making any representation or warranty of any kind whatsoever, express or implied, to BGC Partners, any of its Subsidiaries (including, after the Effective Time, the Transferred Entities) or their respective Representatives in any way with respect to any of the transactions contemplated hereby or regarding the Transferred Assets, the Transferred Liabilities or the Transferred Businesses or as to any consents or approvals required in connection with the consummation of the transactions contemplated hereby, it being agreed and understood that BGC Partners and each of its Subsidiaries shall take all of the Transferred Assets, the Transferred Liabilities and the Transferred Businesses on an AS IS, WHERE IS basis, and all implied warranties of merchantability, fitness for a specific purpose or otherwise are hereby expressly disclaimed by Cantor, on behalf of itself and each other Cantor Company and their respective Representatives; *provided*, *however*, that this Section 3.01 shall in no way derogate from the obligations of Cantor under the Merger Agreement.

Section 3.02 *BGC Partners to Bear Risk*. Except as expressly set forth herein, BGC Partners and its Subsidiaries shall bear the economic and legal risk that conveyances of the Transferred Assets shall prove to be insufficient or that the title of Cantor or any other Cantor Company to any Transferred Asset shall be other than good and marketable and free from encumbrances; *provided*, *however*, that this Section 3.02 shall in no way derogate from the obligations of Cantor under the Merger Agreement.

ARTICLE IV

COVENANTS

Section 4.01 *Further Assurances*.

(a) In addition to the actions specifically provided for in this Agreement, each Party shall use its reasonable best efforts to take, or cause to be taken, all actions, and to do, or cause to be done, all things reasonably necessary, proper or advisable under Applicable Law, regulations and agreements to consummate and make effective the transactions contemplated hereby. Without limiting the foregoing, each Party shall cooperate with the other Party, and execute and deliver, or use its reasonable best efforts to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all consents, approvals or authorizations of, any Governmental Authority or any other Person under any permit, license, agreement, indenture or other instrument, and take all such other actions as such Party may reasonably be requested to take by any other Party from time to time, consistent with the terms hereof, in order to effectuate the provisions and purposes of this Agreement and the transactions contemplated hereby. The Parties agree that, as of the Effective Time, BGC Partners shall be deemed to have acquired complete and sole beneficial ownership of all of the Transferred Assets, together with all rights, powers and privileges incident thereto, and shall be deemed to have assumed in accordance with the terms of this Agreement all of the Transferred Liabilities, and all duties, obligations and responsibilities incident thereto, that such Party is entitled to acquire or required to assume pursuant to the terms hereof.

Table of Contents

(b) Subject to Section 4.01(c) hereof, if at any time or from time to time after the Closing Date, (i) Cantor or any of its Subsidiaries shall possess a Transferred Asset or (ii) BGC Partners or any of its Subsidiaries shall possess an Excluded Asset, then Cantor or BGC Partners, as the case may be, shall promptly transfer, or cause to be transferred, such Asset to BGC Partners or Cantor, as the case may be. Prior to any such transfer, the Party possessing such Asset shall hold such Asset in trust for the use and benefit of the Party entitled thereto (at the expense of the Party entitled thereto), and shall take such other actions as may be reasonably requested by the Party to which such Asset is to be transferred in order to place such Party, insofar as reasonably possible, in the same position it would have been had such Asset been transferred at the Effective Time.

(c) Without limiting the generality of Section 4.01(a) or Section 4.01(b), if the valid, complete and perfected assignment or transfer to BGC Partners of any Transferred Assets or Transferred Liabilities to be transferred under this Agreement or any Ancillary Agreement requires the consent, agreement or approval of or any filing or registration with any Person or Governmental Authority, and as a result of the failure to make or obtain any such consent, agreement, approval, filing or registration such transfer is not effected as contemplated hereby or thereby despite the provisions hereof purporting to effect such assignment or transfer, then, (i) the Parties shall cooperate to effect such transfer as promptly following the Closing as is practicable, and (ii) until such time as any impediment to the validity, completeness or perfection of such assignment or transfer shall have been removed, nullified or waived, the Person possessing such Transferred Asset or Transferred Liability shall hold such Transferred Asset or Transferred Liability in trust for the use and benefit of the Person entitled thereto (at the expense of the Person entitled thereto), and shall take such other action as may be reasonably requested by the Person to whom such Transferred Asset or Transferred Liability is to be transferred in order to place such Person, insofar as reasonably possible, in the same position it would have been had such Transferred Asset or Transferred Liability been transferred on the Effective Time.

(d) Without limiting the generality of Section 4.01(a), prior to the Effective Time, Cantor, as the sole stockholder of BGC Partners, shall ratify any actions that are necessary, proper or desirable to be taken by BGC Partners to effectuate the transactions contemplated hereby in a manner consistent with the terms hereof.

Section 4.02 *Information*.

(a) At any time before, on or after the Effective Time (i) Cantor, on behalf of each of its Subsidiaries, agrees to provide, or cause to be provided, to BGC Partners and its Representatives, and (ii) BGC Partners, on behalf of each of its Subsidiaries, agrees to provide, or cause to be provided, to each of Cantor and its Representatives, in each case as soon as reasonably practicable after written request therefor from such other Party, any Information (including the Information described in Section 2.01(b)(v)) in the possession or under the control of such respective Person, if applicable, that the requesting Party reasonably needs (A) to comply with reporting, disclosure, filing or other requirements imposed on the requesting Party (including under applicable securities or Tax Laws) by a Governmental Authority having jurisdiction over the requesting Party, (B) for use in any other judicial, regulatory, administrative, Tax or other proceeding or in order to satisfy audit, accounting, claims, regulatory, litigation, tax or other similar requirements, (C) for use in the conduct of the Transferred Business in accordance with past practice or (D) to comply with its obligations under this Agreement or any Ancillary Agreement; *provided*, *however*, that in the event that any Party reasonably determines that any such provision of Information could be commercially detrimental to such Party or any of its Subsidiaries, if applicable, violate any Law or agreement to which such Party or any of its Subsidiaries, if applicable, is a Party, or waive any attorney-client privilege applicable to such Party or any of its Subsidiaries, if applicable, the Parties shall take all reasonable measures to permit the compliance with the obligations pursuant to this Section 4.02(a) in a manner that avoids any such harm or consequence (including, if appropriate, by entering into joint defense or similar arrangements); *provided*, *further*, that in the event, after taking all such reasonable measures, the Party subject to such Law or agreement is unable to provide any Information without violating such law or agreement, such Party shall not be obligated to provide such Information to the extent it would violate such Law or agreement. The Parties intend that any transfer of Information that would otherwise be within the attorney-client privilege shall not operate as a waiver of any potentially applicable privilege. Each Party shall make its employees and facilities

Table of Contents

available and accessible during normal business hours and on reasonable prior notice to provide an explanation of any Information provided hereunder.

(b) Notwithstanding anything to the contrary in Section 4.02(a), after the Effective Time, Cantor shall provide, or cause to be provided, to BGC Partners in such form as BGC Partners shall request, at no charge to BGC Partners, all financial and other data and Information in the possession or under the control of Cantor or any of its Subsidiaries as BGC Partners determines necessary or advisable in order to prepare BGC Partners and its Subsidiaries financial statements or any other reports, filings or submissions of BGC Partners and its Subsidiaries with any Governmental Authority.

(c) Any Information owned by one Person that is provided to a requesting Party pursuant to this Section 4.02 shall be deemed to remain the property of the providing Person (or Person on whose behalf such Information is being provided). Unless specifically set forth herein, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any such Information.

(d) The Party requesting Information, consultant or witness services under this Agreement agrees to reimburse the other Party for the reasonable out-of-pocket costs, if any, of creating, gathering and copying such Information, to the extent that such costs are incurred for the benefit of the requesting Party by or on behalf of such other Party or its Representatives or Subsidiaries, if applicable. Except as may be otherwise specifically provided elsewhere in this Agreement or in any other Ancillary Agreement, such costs shall be computed in accordance with the providing Party s standard methodology and procedures.

(e) To facilitate the possible exchange of Information pursuant to this Section 4.02 and other provisions of this Agreement after the Effective Time, the Parties agree to use their reasonable best efforts to retain all Information in their respective possession or control at the Effective Time in accordance with the policies of Cantor as in effect at the Effective Time.

(f) No Party shall have any Liability to the other Party in the event that any Information exchanged or provided pursuant to this Agreement that is an estimate or forecast, or which is based on an estimate or forecast, is found to be inaccurate, in the absence of willful misconduct or fraud by the Party providing such Information. No Party shall have any Liability to the other Party if any Information is destroyed after using its reasonable best efforts in accordance with the provisions of Section 4.02(e).

(g) The rights and obligations granted under this Section 4.02 and Sections 4.03 and 4.04 are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange or confidential treatment of Information set forth in any Ancillary Agreement.

Section 4.03 *Production of Witnesses; Records; Cooperation*.

(a) After the Effective Time, except in the case of an adversarial Action by one Party (or, if applicable, any of its Subsidiaries) against another Party (or, if applicable, any of its Subsidiaries) (which shall be governed by such discovery rules as may be applicable thereto), each Party shall use its reasonable best efforts to make available to the other Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of its Subsidiaries as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, at the offices of such Party during normal business hours, in each case to the extent that any such Person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required (and, in the case of any such Person, for reasonable periods of time) in connection with any Action in which the requesting Party may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all out-of-pocket costs and expenses (including allocated costs of in-house counsel and other personnel) in connection therewith.

Table of Contents

(b) If an indemnifying party chooses to defend or to seek to compromise or settle any Third-Party Claim, each Party shall use its reasonable best efforts to make available to the other Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of such Party and, if applicable, its Subsidiaries as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available during normal business hours, to the extent that any such Person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required (and, in the case of any such Person, for reasonable periods of time) in connection with such defense, settlement or compromise, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, as the case may be, in each case at the indemnifying party s expense. The indemnifying party shall bear all out-of-pocket costs and expenses (including allocated costs of in-house counsel and other personnel) in connection therewith.

(c) Without limiting the foregoing, the Parties shall cooperate and consult, and, if applicable, cause each of its Subsidiaries to cooperate and consult, to the extent reasonably necessary with respect to any Actions.

(d) Without limiting any provision of this Section 4.03, each of the Parties agrees to cooperate, and, if applicable, to cause each of their respective Subsidiaries to cooperate, with each other in the defense of any infringement or similar claim with respect to any Intellectual Property and shall not claim to acknowledge, or permit any of their respective Subsidiaries to claim to acknowledge, the validity or infringing use of any Intellectual Property of a third Person in a manner that would hamper or undermine the defense of such infringement or similar claim.

(e) The obligation of the Parties to provide witnesses pursuant to this Section 4.03 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses, directors, officers, employees, other personnel and agents without regard to whether any such individual could assert a possible business conflict (subject to the exception set forth in the first sentence of Section 4.03(a)).

(f) For a period of three years from the Closing Date, Cantor agrees to retain and not destroy or dispose of books, records and other data of the BGC Business prior to the Closing to the extent not transferred to BGC Partners or its Subsidiaries and, prior to destroying or disposing of such books, records and other data, to notify BGC Partners and, at the request of BGC Partners, to transfer such books, records and other data to BGC Partners to the extent that such books, records and other data can, without unreasonable effort or expense, be separated from books and records maintained by Cantor or any of its Subsidiaries in connection with businesses other than the Transferred Businesses (unless BGC Partners shall pay for the full amount of the costs and expenses associated with such separation).

(g) In connection with any matter contemplated by this Section 4.03, the applicable Parties will enter into a mutually acceptable joint defense agreement so as to maintain to the extent practicable any applicable attorney-client privilege or work product immunity of any Party or, if applicable, any of its Subsidiaries.

Section 4.04 *Confidentiality*.

(a) Subject to Section 4.05 and unless otherwise agreed by the Party to whom such Covered Information relates, each of the Parties agrees to hold, and to cause each member of its respective Affiliates, directors, officers, employees, general partners, agents, accountants, managing member, employees, counsel and other advisors and representatives (collectively, *Representatives*) to hold, in strict confidence, with at least the same degree of care that applies to Cantor s confidential and proprietary Information pursuant to policies in effect as of the date hereof, all Information concerning each such other Party (including such Person s clients, transactions, business, Assets, Liabilities, performance or operations) that is either in its possession (including Information in its possession prior to the date hereof) or furnished by any such other Party or its Representatives at any time pursuant to this Agreement, any Ancillary Agreement or otherwise (collectively, *Covered Information*), except that the following shall not be deemed to be Covered Information: any such Information to the extent that (i) at

Table of Contents

the time of disclosure such Information is generally available to and known by the public (other than as a result of a disclosure by the disclosing Party or by any of its Representatives in breach of this Section 4.04) or (ii) such Information has after the Effective Time been lawfully acquired from other sources by such Party on a non-public basis which sources are, to the knowledge of the Party acquiring such Information, not themselves bound by a contractual, legal or fiduciary obligation that would limit or prohibit disclosure of such Information.

(b) Subject to Section 4.05 and unless otherwise agreed by the Party to whom such Covered Information relates, each Party agrees (i) not to use any Covered Information other than for such purposes as shall be expressly permitted hereunder or under any Ancillary Agreement and (ii) not to release or disclose, or permit to be released or disclosed, any Covered Information to any other Person, except its Representatives who need to know such Covered Information (who shall be advised of their obligations hereunder with respect to such Covered Information), except in compliance with Section 4.05. Without limiting the foregoing, when any Covered Information is no longer needed for the purposes contemplated by this Agreement or any Ancillary Agreement, each Party will promptly after request of the Party that provided such Covered Information either return to such Party all such Covered Information in a tangible form (including all copies thereof and all notes, analyses, presentations, extracts or summaries based thereon) or certify to the other Party that it has destroyed such Covered Information (and such copies thereof and such notes, extracts, analyses, presentations or summaries based thereon). Notwithstanding the return or destruction of the Covered Information, such Party will continue to be bound by its obligations of confidentiality and other obligations hereunder.

Section 4.05 *Protective Arrangements*. In the event that any Party or any of its Subsidiaries determines on the advice of its counsel that it is required to disclose any Covered Information of any other Party (or any of such Party s Subsidiaries) pursuant to Applicable Law or receives any demand under lawful process or from any Governmental Authority to disclose or provide Covered Information of any other Party (or any of such Party s Subsidiaries), such Party shall, to the extent practicable and unless otherwise required by Applicable Law, notify the other Party prior to disclosing or providing such Covered Information and shall cooperate at the expense of the requesting Party in seeking any reasonable protective arrangements requested by such other Party. Subject to the foregoing, the Person that received such request may thereafter disclose or provide Covered Information if and to the extent required by such Applicable Law (as so advised by counsel) or by lawful process of such Governmental Authority; *provided*, *however*, that the Person shall only disclose such portion of the Covered Information so required to be disclosed or provided.

Section 4.06 *Intercompany Agreements*. All Contracts, licenses, commitments or other arrangements, formal or informal, written or oral and whether express or implied, between any of Cantor or any other Cantor Company, on the one hand, and any Transferred Entity, on the other hand, set forth on *Schedule 4.06*, shall terminate effective as of the Effective Time, and no Persons party to any such Contract, license, commitment or other arrangement shall have any rights under such Contract, license, commitment or arrangement.

Section 4.07 *Guarantee Obligations*. The Parties shall cooperate, and shall cause their respective Subsidiaries to cooperate, to terminate, or to cause BGC Partners or its Subsidiaries (or a Transferred Entity) to be substituted in all respects for Cantor or a Cantor Company in respect of all obligations of Cantor or a Cantor Company under any of the Transferred Liabilities for which Cantor or a Cantor Company may be liable, as guarantor, original tenant, primary obligor or otherwise, except, in each case, for the Indebtedness Guarantees and any Excluded Liability. If such a termination or substitution is not effected by the Effective Time, (i) BGC Partners and its Subsidiaries shall indemnify and hold harmless Cantor and the other Cantor Companies for any Indemnifiable Losses arising from or relating thereto, and (ii) without the prior written consent of Cantor, from and after the Effective Time, BGC Partners shall not, and, without Cantor s prior written consent, shall not permit any of its Subsidiaries to, renew or extend the term of, increase its obligations under, or transfer to a third party, any loan, lease, Contract or other obligation for which Cantor or any other Cantor Company is or may be liable.

Table of Contents

Section 4.08 *Expenses*. All legal and other costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the Party incurring such costs and expenses unless expressly otherwise contemplated herein.

Section 4.09 *New BGC Partners*. In order to facilitate Tax-free exchanges of the Holdings Exchangeable Limited Partnership Interests (as defined in the New Holdings Limited Partnership Agreement), Cantor shall have a one-time right, at Holdings sole expense, (a) to incorporate, or cause the incorporation of, a newly formed wholly owned Subsidiary of BGC Partners (*New BGC Partners*), (b) to incorporate, or cause the incorporation of, a newly formed wholly owned Subsidiary of New BGC Partners (*New BGC Partners Sub*), and then (c) to cause the merger (the *New BGC Partners Merger*) of New BGC Partners Sub with BGC Partners, with the surviving corporation being a wholly owned Subsidiary of New BGC Partners. In connection with the New BGC Partners Merger, the shares of BGC Partners Class A Common Stock and BGC Partners Class B Common Stock shall each hold equivalent common stock in New BGC Partners, with identical rights to the applicable class of shares held prior to the New BGC Partners Merger. As a condition of the New BGC Partners Merger, (i) BGC Partners shall have received an opinion of counsel, reasonably satisfactory to the Audit Committee of BGC Partners, to the effect that the New BGC Partners Merger will qualify as a reorganization within the meaning of Section 368(a) of the Code and (ii) Cantor shall indemnify BGC Partners to the extent that BGC Partners incurs any material income Taxes as a result of the transactions effected pursuant to this Section 4.09.

Section 4.10 *Commissions and Market Data; Clearing*. (a) The Parties agree that (i) Cantor shall have a right to be a customer of BGC Partners and its Subsidiaries and to pay the lowest commission paid by any other customer of BGC Partners or its Affiliates, whether by volume, dollar or other applicable measurement; *provided*, *however*, that this right shall terminate upon the earlier of (i) a Change of Control of Cantor and (ii) the last day of the calendar quarter during which Cantor shall have represented one of the fifteen largest customers of BGC Partners and its Subsidiaries in terms of transaction volume; and (ii) Cantor shall have an unlimited right to internally use market data from BGC Market Data without any cost; *provided*, *however*, that Cantor shall have no right to furnish such data to any third party.

(b) From the Closing until the third anniversary of the Closing, (i) Cantor shall cause its applicable Subsidiary or Subsidiaries to provide to BGC Partners or its applicable Subsidiary or Subsidiaries all such services as BGC Partners reasonably determines are reasonably necessary in connection with the clearance, settlement and fulfillment of futures transactions by BGC Partners, and (ii) BGC Partners shall be entitled to receive from Cantor all of the economic benefits and burdens associated with Cantor s performance of such services; *provided*, *however*, that BGC Partners shall use its commercially reasonable efforts to reduce and eliminate its need for such services from Cantor and/or its applicable Subsidiary or Subsidiaries.

Section 4.11 *Reinvestments in the Opcos; Pre-Emptive Rights*. (a) (i) *Mandatory Reinvestment by BGC Partners.* After the Closing, in the event of any issuance of shares of BGC Partners Common Stock (including any issuance in connection with a merger or other acquisition by BGC Partners, but excluding any issuance of shares of BGC Partners Common Stock upon exchange of Holdings Exchangeable Limited Partnership Interests), BGC Partners shall contribute, directly or indirectly through its Subsidiaries, the net proceeds, if any, received in respect of such issuance to the Opcos in exchange for (A) a U.S. Opco Limited Partnership Interest consisting of a number of U.S. Opco Units equal to (1) the number of additional shares of BGC Partners Common Stock so issued *multiplied by* (2) the BGC Partners Ratio as of immediately prior to the issuance of such shares of BGC Partners Common Stock and (B) a Global Opco Limited Partnership Interest consisting of a number of Global Opco Units equal to (1) the number of additional shares of BGC Partners Common Stock so issued *multiplied by* (2) the BGC Partners Ratio as of immediately prior to the issuance of such shares of BGC Partners Common Stock. BGC Partners shall determine the proportion of the net proceeds that shall be paid to U.S. Opco, on the one hand, and Global Opco, on the other hand. Such determination shall be based on BGC Partners reasonable judgment as to the proportion of the total fair value, as of the date of issuance of the U.S. Opco Limited Partnership Interest and Global Opco Limited Partnership Interest pursuant to this Section 4.11(a)(i), represented by U.S. Opco or Global Opco, respectively, as of such date.

Table of Contents

(ii) *Mandatory Reinvestment by Holdings.* After the Closing, in the event of any issuances of Holdings Limited Partnership Interests pursuant to the BGC Holdings, L.P. Participation Plan as such plan is amended from time to time, Holdings shall contribute, directly or indirectly through its Subsidiaries, the net proceeds, if any, received in respect of such issuance to the Opcos in exchange for (A) a U.S. Opco Limited Partnership Interest consisting of (1) a number of U.S. Opco Units equal to the number of additional Holdings Units underlying such Holdings Limited Partnership Interests so issued *multiplied by* (2) the Holdings Ratio as of immediately prior to the issuance of Holdings Limited Partnership Interest and (B) a Global Opco Limited Partnership Interest consisting of a number of Global Opco Units equal to (1) the number of additional Holdings Units underlying such Holdings Limited Partnership Interests so issued *multiplied by* (2) the Holdings Ratio as of immediately prior to the issuance of Holdings Limited Partnership Interest. BGC Partners shall determine the proportion of the net proceeds that shall be paid to U.S. Opco, on the one hand, and Global Opco, on the other hand. Such determination shall be based on BGC Partners reasonable judgment as to the proportion of the total fair value, as of the date of issuance of the U.S. Opco Limited Partnership Interest and Global Opco Limited Partnership Interest pursuant to this Section 4.11(a)(ii), represented by U.S. Opco or Global Opco, respectively, as of such date.

(iii) *Voluntary Reinvestment by BGC Partners.* After the Closing, BGC Partners (with the consent of the board of directors of BGC Partners) may elect to have a member of the BGC Partners Group purchase from the Opcos an equal number of U.S. Opco Units and Global Opco Units for a price equal to the Per Unit Price for each set of one U.S. Opco Unit and one Global Opco Unit. Such member of the BGC Partners Group may use cash and/or other assets to make such purchases. In the event that non-cash consideration is used to make such purchases, the value of the aggregate non-cash consideration shall be determined in good faith by the general partner of U.S. Opco and Global Opco, as the case may be, taking into account, if relevant, the acquisition cost thereof. BGC Partners shall determine the proportion of the amount that it receives for such purchase that shall be paid to U.S. Opco, on the one hand, and Global Opco, on the other hand. Such determination shall be based on BGC Partners reasonable judgment as to the proportion of the total fair value, as of the date of issuance of the U.S. Opco Limited Partnership Interest and Global Opco Limited Partnership Interest pursuant to this Section 4.11(a)(iii), represented by U.S. Opco or Global Opco, respectively, as of such date.

(b) *Pre-Emptive Rights.* (i) In the event of any issuance of U.S. Opco Units and Global Opco Units to any member of the BGC Partners Group pursuant to Section 4.11(a)(i) or 4.11(a)(iii) (the member of the BGC Partners Group receiving such U.S. Opco Units and Global Opco Units, the *Receiving Party*), Cantor shall have the right (the *Purchase Right*) to cause any member of the Holdings Group (such Person designated by Cantor, the *Purchase Right Party*) to acquire and be issued, on the terms and subject to the conditions set forth in this Section 4.11(b), an aggregate number of additional U.S. Opco Units and Global Opco Units that would restore the U.S. Opco Group Percentage Interest and Global Opco Percentage Interest that the Cantor Group indirectly holds through the Holdings Group to that which it held immediately prior to such issuance to the Receiving Party (assuming for purposes of this calculation that (A) the Purchase Right were exercised and the related sale were closed immediately after the related issuance of the applicable U.S. Opco Units and Global Opco Units to the Receiving Party and (B) the Purchase Right Party shall have been issued any U.S. Opco Units and Global Opco Units for which such Purchase Right Party shall be entitled to receive pursuant to any exercised, but not yet closed, outstanding Election; *provided*, *however*, that, if such other Election shall not close in accordance with this Section 4.11(b) prior to the closing of this Purchase Right, the calculation shall be re-calculated excluding such Election) (the *Percentage Adjustment*). In any exercise of a Purchase Right, the Purchase Right Party may elect to acquire less than the aggregate number of additional U.S. Opco Units and Global Opco Units that such Purchase Right Party shall be entitled to purchase pursuant to such Purchase Right (in which case, the Purchase Right with respect to the unexercised portion of the additional U.S. Opco Units and Global Opco Units shall survive and continue in effect on the terms contemplated by this Section 4.11(b)); *provided*, *however*, that, in all cases, the number of U.S. Opco Units so purchased shall equal the number of Global Opco Units so purchased.

Table of Contents

(ii) Any U.S. Opco Units and Global Opco Units issued to a Receiving Party or a Purchase Right Party shall be in the form of U.S. Opco Regular Limited Partnership Interests (including the associated U.S. Opco Regular Partnership Units) and Global Opco Regular Limited Partnership Interests (and the associated Global Opco Regular Partnership Units), as the case may be.

(iii) In the event of the approval or authorization of any issuance of U.S. Opco Units and Global Opco Units to the Receiving Party that shall give rise to the Purchase Right in accordance with this Section 4.11(b), the general partners of U.S. Opco and Global Opco shall promptly provide separate written notice thereof (but in any event no later than three (3) Business Days prior to the issuance thereof unless waived by the applicable Purchase Right Party), to Holdings, which notice shall state the number of U.S. Opco Units or Global Opco Units issuable to such Purchase Right Party, the date of issuance and the Per Unit Price payable by the Purchase Right Party (which shall be equal the Per Unit Price paid by the Receiving Party) (the *Notice*).

(iv) In the event that Cantor elects to exercise its Purchase Right (an *Election*), Cantor shall deliver a written notice of exercise to each of U.S. Opco and Global Opco on or prior to ten (10) days after the related issuance of U.S. Opco Regular Partnership Interests and Global Opco Regular Partnership Interests to the Receiving Party, which notice of exercise shall include (A) an irrevocable commitment by the Purchase Right Party to purchase as promptly as practicable an amount of U.S. Opco Units and Global Opco Units equal to the amount specified in the Notice (or, if Cantor shall so elect, an irrevocable commitment to purchase an amount of U.S. Opco Units and Global Opco Units less than that amount specified in the Notice (*provided*, *however*, that the number of U.S. Opco Units and Global Opco Units so purchased consist of the same number of units)) at the Per Unit Price specified in the Notice, (B) a statement detailing which Purchase Right Party member(s) will purchase the U.S. Opco Units and Global Opco Units (and, if more than one Purchase Right Party member shall purchase such U.S. Opco Units and Global Opco Units, a statement including the amounts that each such Purchase Right Party member shall purchase) and (C) a guarantee by Holdings of the obligations of the Purchase Right Party to complete the purchase and pay the Purchase Consideration therefor. The irrevocable commitment and the issuance of the additional U.S. Opco Units and Global Opco Units pursuant to the Purchase Right will be conditioned upon the closing of the related issuance of U.S. Opco Units and Global Opco Units to the Receiving Party, the absence of any injunction, order, law, regulation or similar matter that prohibits the consummation of such issuance and the receipt of all regulatory or governmental approvals (including of self regulatory approvals) that shall be required for the applicable Purchase Right Party to acquire the U.S. Opco Units and Global Opco Units; *provided*, *however*, that any such purchase shall close no later than 120 days following the Election to exercise its Purchase Right. At the closing of the Purchase Right, (x) the Purchase Right Party shall pay to (1) U.S. Opco an amount in cash and/or other assets equal to the product of the Per Unit Price specified in the Notice and the number of U.S. Opco Units being issued to such Purchase Right Party s Group pursuant to the exercise of such Purchase Right and (2) Global Opco an amount in cash and/or other assets equal to the product of the Per Unit Price specified in the Notice and the number of Global Opco Units being issued to such Purchase Right Party s Group pursuant to the exercise of such Purchase Right (such amount in clauses (1) and (2), the *Purchase Consideration*), and (y) in exchange therefor (1) U.S. Opco shall issue a U.S. Opco Regular Limited Partnership Interest consisting of the applicable number of U.S. Opco Regular Limited Partnership Units and (2) Global Opco shall issue a Global Opco Regular Limited Partnership Interest consisting of the applicable number of Global Opco Regular Limited Partnership Units. In the event that non-cash consideration is used to make such purchases, the value of the aggregate non-cash consideration shall be determined in good faith by the Audit Committee of BGC Partners, taking into account, if relevant, the acquisition cost thereof.

(v) In the event that U.S. Opco or Global Opco, as the case may be, shall: (A) pay a dividend on U.S. Opco Interests or Global Opco Interests, as the case may be, in the form of U.S. Opco Units or Global Opco Units, as the case may be, or make a distribution on U.S. Opco Interests or Global Opco Interests, as the case may be, in the form of U.S. Opco Units or Global Opco Units, as the case may be, (B) subdivide the outstanding U.S. Opco Units or Global Opco Units, as the case may be, into a greater number of U.S. Opco

Table of Contents

Units or Global Opco Units, as the case may be; (C) combine the outstanding U.S. Opco Units or Global Opco Units, as the case may be, into a smaller number of U.S. Opco Units or Global Opco Units, as the case may be; (D) make a distribution on U.S. Opco Interests or Global Opco Interests, as the case may be, in limited partnership interests other than U.S. Opco Units or Global Opco Units, as the case may be; or (E) issue by reclassification of the outstanding U.S. Opco Units or Global Opco Units, as the case may be, any limited partnership interests, then the U.S. Opco Units or Global Opco Units, as the case may be, issuable pursuant to each outstanding and unexercised Purchase Right immediately prior to such action (including any Purchase Right for which a notice of exercise shall have been delivered but shall not close prior to such action) shall be adjusted so that the applicable Purchase Right Party that thereafter elects to exercise, or closes, such Purchase Right in accordance with this Section shall receive the number of U.S. Opco Units or Global Opco Units, as the case may be, that it would have owned immediately following such action if it had exercised such Purchase Right in full, and been issued the U.S. Opco Units or Global Opco Units, as the case may be, underlying the Purchase Right, immediately prior to such action.

(c) *Concurrent Issuance of Holdings Exchangeable Units Upon Reinvestment by the Holdings Group.* Concurrently with the issuance of U.S. Opco Units and Global Opco Units to the Purchase Right Party, Cantor or any member of the Cantor Group designated by Cantor shall contribute to Holdings the Purchase Consideration, and in exchange therefor, subject to Section 4.11(e), simultaneously with the issuance of U.S. Opco and Global Opco Units to the Purchase Right Party pursuant to Section 4.11(b), Holdings shall issue to Cantor or the designated member of the Cantor Group, a Holdings Exchangeable Limited Partnership Interest consisting of a number of Holdings Exchangeable Units equal to the number of U.S. Opco Units issued to the Purchase Right Party.

(d) *Parity Between U.S. Opco Units and Global Opco Units; Intention for Ratios To Equal One.* To the extent that any U.S. Opco Units or Global Opco Units are issued pursuant to this Section 4.11, an equal number of Global Opco Units or U.S. Opco Units, respectively, shall be issued. It is the non-binding intention of the Parties that the BGC Partners Ratio and the Holdings Ratio shall in each case equal one (1). In furtherance of the foregoing, (i) in the event of any issuance of U.S. Opco Units and Global Opco Units to any member of the BGC Partners Group pursuant to Section 4.11(a)(iii), immediately following such an issuance, BGC Partners shall declare a *pro rata* stock dividend so that the number of issued and outstanding shares of BGC Partners Common Stock shall be increased by a number equal to (x) the additional U.S. Opco Units issued to the BGC Partners Group pursuant to Section 4.11(a)(iii), *multiplied by* (y) the BGC Partners Ratio as of immediately prior to the issuance of such U.S. Opco Units; and (ii) in the event of any issuance of U.S. Opco Units and Global Opco Units to any member of the Holdings Group pursuant to Section 4.11(b), immediately following such an issuance, Holdings shall declare a *pro rata* dividend so that the number of issued and outstanding Holdings Units shall be increased by a number equal to (x) the additional U.S. Opco Units issued to the Holdings Group pursuant to Section 4.11(b), *multiplied by* (y) the Holdings Ratio as of immediately prior to the issuance of such U.S. Opco Units; *provided*, *however*, that, in each of cases (a) and (b), no fractional share of BGC Partners Common Stock or fractional Holdings Unit shall be issued and, in lieu thereof, BGC Partners and Holdings, as the case may be, shall be entitled to pay cash to the Person who otherwise would have received such fractional share of BGC Partners Common Stock or fractional Holdings Unit based on the market price of BGC Partners Common Stock as determined by BGC Partners or Holdings, as the case may be.

(e) *No Fractional Units or Common Stock.* Notwithstanding anything to the contrary herein, U.S. Opco, Global Opco, Holdings and BGC Partners shall not transfer or issue any fractional U.S. Opco Units, Global Opco Units, Holdings Units or BGC Partners Common Stock, as the case may be. In lieu thereof, upon any issuance of additional U.S. Opco Units, Global Opco Units, Holdings Units or BGC Partners Common Stock pursuant to this Section 4.11, the applicable Person shall transfer U.S. Opco Units, Global Opco Units, Holdings Units or BGC Partners Common Stock, as the case may be, rounded to the nearest whole unit or share.

Section 4.12 *Distributions to Holders of BGC Partners Common Stock*. It is the non-binding intention of BGC Partners to match the distribution policy of Holdings, so that BGC Partners uses a substantial portion of the

cash that it receives from the Opcos to distribute as dividends to the holders of BGC Partners Common Stock; *provided*, *however*, that nothing in this Section shall prohibit BGC Partners from reinvesting in the Opcos pursuant to Section 4.11(a) or shall require Cantor to exercise its Purchase Right pursuant to Section 4.11(b).

Section 4.13 *Intellectual Property License*. Cantor for itself and on behalf of those of its Subsidiaries that own any right, title or interest in those Intellectual Property assets which are currently used or currently contemplated to be used in the conduct of the business of BGC Partners or its Subsidiaries hereby grants to BGC Partners and/or one or more of its Subsidiaries a non-exclusive, perpetual, irrevocable, worldwide, non-transferable (except as described below) and royalty-free license (the *License*) to all such Intellectual Property in connection with the operation of the business of BGC Partners and its Subsidiaries on and after the Closing Date. Notwithstanding the foregoing, the License shall not constitute an assignment or transfer of any Intellectual Property owned by a third party if both (a) such assignment or transfer would be ineffective or would constitute a default under, or other contravention of, the provisions of a Contract without the approval or consent of a third party, and (b) such approval or consent is not obtained; *provided*, *however*, that Cantor agrees to use its commercially reasonable efforts to obtain any such approval or consent (it being understood that such efforts shall not require Cantor to pay to the third party any compensation or other remuneration to obtain such approval or consent). The License shall not be transferable except to any purchaser of (a) all or substantially all of the business or assets of BGC Partners and its Subsidiaries; or (b) a business, division or subsidiary of BGC Partners or its Subsidiaries pursuant to a *bona fide* acquisition of a line of business of BGC Partners and its Subsidiaries.

ARTICLE V

SURVIVAL AND INDEMNIFICATION

Section 5.01 *Survival of Agreements*. All covenants and agreements of the Parties contained in this Agreement shall survive in accordance with their terms.

Section 5.02 *Indemnification by Cantor*. From and after the Closing Date, Cantor shall indemnify, defend and hold harmless (a) BGC Partners and its Affiliates and each of their directors, officers, general partners, managers and employees (in their capacity as directors, officers, general partners, managers and employees of BGC Partners or its Affiliates), and each of the heirs, executors, successors and permitted assigns of any of the foregoing (collectively, the *BGC Partners Indemnitees*), (b) the Opcos and their respective Affiliates each of their respective directors, officers, general partners, managers and employees (in their capacity as directors, officers, general partners, managers and employees of the foregoing), and each of the heirs, executors, successors and permitted assigns of any of the foregoing (collectively, the *Opco Indemnitees*), and (c) Holdings and each of its Affiliates and each of their respective directors, officers, general partners, managers and employees (in their capacity as directors, officers, general partners, managers and employees of Holdings), and each of the heirs, executors, successors and permitted assigns of any of the foregoing (collectively, the *Holdings Indemnitees*), from and against any and all Indemnifiable Losses of such Persons to the extent relating to, arising out of or resulting from (without duplication):

(i) any breach of any covenant or agreement of Cantor made in this Agreement; or

(ii) any Excluded Asset or any Excluded Liability.

Section 5.03 *Indemnification by BGC Partners*. From and after the Closing Date, BGC Partners shall indemnify, defend and hold harmless (a) Cantor and its Affiliates and each of their respective directors, officers, general partners, managers and employees (in their capacity as directors, officers, general partners, managers and employees of Cantor or its Affiliates), and each of the heirs, executors, successors and permitted assigns of any of the foregoing (collectively, the *Cantor Indemnitees*), (b) the Opco Indemnitees, and (c) the Holdings Indemnitees, from and against any and all Indemnifiable Losses of such Persons to the extent relating to, arising out of or resulting from (without duplication) any breach of any covenant or agreement of BGC Partners made in this Agreement.

Table of Contents

Section 5.04 *Indemnification by the Opcos*. From and after the Closing Date, the Opcos shall indemnify, defend and hold harmless (a) the Cantor Indemnitees, (b) the BGC Partners Indemnitees, and (c) the Holdings Indemnitees, from and against any and all Indemnifiable Losses of such Persons to the extent relating to, arising out of or resulting from (without duplication):

(i) any breach of any covenant or agreement of U.S. Opco and/or Global Opco made in this Agreement; or

(ii) any Transferred Asset, any Transferred Liability or any of the Transferred Businesses.

If the Opcos shall be obligated to make any payment pursuant to this Section 5.04, BGC Partners shall determine the proportion of such payment that shall be made by U.S. Opco, on the one hand, and Global Opco, on the other hand (it being understood that such determination shall not change the fact that the Opcos shall be jointly and severally liable for any obligation pursuant to this Section 5.04).

Section 5.05 *Indemnification by Holdings*. From and after the Closing Date, Holdings shall indemnify, defend and hold harmless (a) the Cantor Indemnitees, (b) the U.S. Opco Indemnitees, and (c) the Global Opco Indemnitees, from and against any and all Indemnifiable Losses of such Persons to the extent relating to, arising out of or resulting from (without duplication) any breach of any covenant or agreement of Holdings made in this Agreement.

Section 5.06 *Notice of Indemnity Claim*. Any Indemnitee entitled to indemnification under this Agreement may seek indemnification for any Indemnifiable Loss by giving written notice to the indemnifying party, specifying (a) the basis for such indemnification claim and (b) if known, the aggregate amount of Indemnifiable Loss for which a claim is being made under this Article V. Written notice to such indemnifying party of the existence of such claim shall be given by the Indemnitee as soon as practicable after the Indemnitee first receives notice of the potential claim; *provided*, *however*, that any failure to provide such prompt notice of the event giving rise to such claim to the indemnifying party shall not affect the Indemnitee s right to indemnification or relieve the indemnifying party of its obligations under this Article V except to the extent that such failure results in a lack of actual notice of the event giving rise to such claim and such indemnifying party actually incurs an incremental expense or otherwise has been materially prejudiced as a result of such delay.

Section 5.07 *Third-Party Claims*. (a) If an Indemnitee shall receive notice of the assertion by a third-party of any claim, or of the commencement by any such Person of any Action, with respect to which an indemnifying party may be obligated to provide indemnification to such Indemnitee pursuant to this Agreement (collectively, a *Third-Party Claim*), such Indemnitee shall give such indemnifying party prompt written notice thereof; *provided*, *however*, that any failure to provide such prompt notice of the event giving rise to such claim to the indemnifying party shall not affect the Indemnitee s right to indemnification pursuant to this Article V or relieve the indemnifying party of its obligations under this Article V except to the extent that such failure results in a lack of actual notice of the event giving rise to such claim to the indemnifying party and such indemnifying party actually incurs an incremental expense or otherwise has been materially prejudiced as a result of such delay. Any such notice shall describe the Third-Party Claim in reasonable detail, including, if known, the amount of the Indemnifiable Loss for which indemnification may be available or a good faith estimate thereof.

(b) An indemnifying party may elect (but is not required) to assume the defense of and defend, at such indemnifying party s own expense and by such indemnifying party s own counsel, any Third-Party Claim. Within 30 days after the receipt of notice from an Indemnitee in accordance with Section 5.07(a), the indemnifying party shall notify the Indemnitee of its election whether the indemnifying party will assume responsibility for defending such Third-Party Claim, which election shall specify any reservations or exceptions. After notice from an indemnifying party to an Indemnitee of its election to assume the defense of a Third-Party Claim, such Indemnitee shall have the right to participate in the defense, compromise, or settlement thereof, but, as long as the indemnifying party pursues such defense, compromise or settlement with reasonable diligence, the fees and expenses of such Indemnitee incurred in participating in such defense shall be paid by the Indemnitee.

Table of Contents

Notwithstanding the foregoing, the Indemnitee shall be entitled to engage one separate counsel of its own choosing to participate in such defense, compromise or settlement.

(c) If an indemnifying party elects not to assume responsibility for defending a Third-Party Claim, or fails to notify an Indemnitee of its election as provided in Section 5.07(b), such Indemnitee may defend such Third-Party Claim at the cost and expense of the indemnifying party; *provided*, *however*, that the indemnifying party may thereafter assume the defense of and defend such Third-Party Claim upon notice to the Indemnitee (but the cost and expense of such Indemnitee in defending such Third-Party Claim incurred from the last day of the notice period under Section 5.07(b) until such date as the indemnifying party shall assume the defense of such Third-Party Claim shall be paid by the indemnifying party).

(d) If an indemnifying party elects not to assume responsibility for defending a Third-Party Claim, or fails to notify an Indemnitee of its election as provided in Section 5.07(b), and has not thereafter assumed such defense as provided in Section 5.07(c), such Indemnitee shall have the right to settle or compromise such Third-Party Claim, and any such settlement or compromise made or caused to be made of such Third-Party Claim in accordance with this Article V shall be binding on the indemnifying party, in the same manner as if a final judgment or decree had been entered by a court of competent jurisdiction in the amount of such settlement or compromise. Notwithstanding the foregoing sentence, the Indemnitee shall not compromise or settle a Third-Party Claim without the express prior consent of the indemnifying party (not to be unreasonably withheld or delayed); *provided*, *however*, that such prior consent shall not be required in the case of any such compromise or settlement if and only if the compromise or settlement includes, as part thereof, a full and unconditional release by the plaintiff or claimant of the Indemnitee and the indemnifying party from all Liability with respect to such Third-Party Claim and does not require the indemnifying party to be subject to any non-monetary remedy.

(e) The indemnifying party shall have the right to compromise or settle a Third-Party Claim the defense of which it shall have assumed pursuant to Section 5.07(b) or Section 5.07(c) and any such settlement or compromise made or caused to be made of a Third-Party Claim in accordance with this Article V shall be binding on the Indemnitee, in the same manner as if a final judgment or decree had been entered by a court of competent jurisdiction in the amount of such settlement or compromise. Notwithstanding the foregoing sentence, the indemnifying party shall not have the right to admit Liability on behalf of the Indemnitee and shall not compromise or settle a Third-Party Claim in each case without the express prior consent of the Indemnitee (not to be unreasonably withheld or delayed); *provided*, *however*, that such prior consent shall not be required in the case of any such compromise or settlement if and only if the compromise or settlement includes, as a part thereof, a full and unconditional release by the plaintiff or claimant of the Indemnitee from all Liability with respect to such Third-Party Claim and does not require the Indemnitee to make any payment that is not fully indemnified under this Agreement or to be subject to any non-monetary remedy.

Section 5.08 *Mitigation*. Each Indemnitee claiming a right to indemnification shall make commercially reasonable efforts to mitigate any claim or liability that such Indemnitee asserts under this Article V.

Section 5.09 *Allocation of Loss for Certain Matters*. Any Special Allocation Losses to the extent relating to, arising out of or resulting from the Actions set forth on *Schedule 5.09* shall be allocated to Holdings pursuant to terms of the New U.S. Opco Limited Partnership Agreement and the New Global Opco Limited Partnership Agreement and allocated to the capital accounts of the Limited Partnership Interests of BGC Holdings held by the Cantor Group, the Founding Partners and the Working Partners (each as defined in the New Holdings Limited Partnership Agreement) pursuant to the terms of the New Holdings Limited Partnership Agreement. Any such Action set forth on *Schedule 5.09* shall be subject to Section 5.07 as if such Action were a Third-Party Claim.

Section 5.10 *Exclusive Remedies*. Notwithstanding any other provision contained in this Agreement, except in the case of a fraud or willful misconduct on the part of a Party hereto and except as specifically set forth in this Article V, there shall be no rights, claims or remedies (whether in Law or in equity) available to any Indemnitee

Table of Contents

for breaches by any indemnifying party of representations, warranties, covenants or other agreements under this Agreement or otherwise relating to this Agreement or the transactions contemplated hereby; *provided*, *however*, that the Parties hereto shall each have and retain all rights and remedies to bring actions for specific performance and/or injunctive relief existing in their favor under this Agreement, at Law or equity, to enforce or prevent a breach or violation of any provision of this Agreement.

Section 5.11 *Merger Agreement Indemnification*. Nothing contained in this Article V shall in any way derogate from Cantor s obligation to provide indemnification on the terms and subject to the conditions set forth in the Merger Agreement.

ARTICLE VI

EMPLOYEE MATTERS

Section 6.01 *Transfer of Business Employees*. No later than immediately prior to the Closing Date, the employment of each Business Employee shall be transferred to BGC Partners, any of its Subsidiaries or a Transferred Entity to the extent that such Business Employees shall not already be employed by any such entity; *provided*, *however*, that any such Business Employee who is on an approved leave of absence (including disability leave) on the Closing Date shall not be transferred as of the Closing Date if such transfer would result in the loss of healthcare or disability insurance coverage and, in such event, the Business Employee shall commence employment with BGC Partners, one of its Subsidiaries or a Transferred Entity as of the date such employee returns from such leave. Each Business Employees who becomes employed by BGC Partners, one of its Subsidiaries or a Transferred Entity in accordance with the preceding sentence, together with the Business Employees, shall be referred to herein collectively as the *Transferred Business Employees* .

Section 6.02 *Termination of Founding Partners*.

(a) As promptly as practicable following each fiscal quarter of BGC Partners, management of BGC Partners shall provide a report to the Audit Committee of the Board of Directors of BGC Partners specifying all of the Founding Partners whose employment with BGC Partners and its Subsidiaries has been terminated.

(b) To the extent reasonably practicable, management of BGC Partners shall provide notice to the Audit Committee of the Board of Directors of BGC Partners prior to the termination by BGC Partners or its Subsidiaries of employment of any Founding Partner, if the capital account underlying the Holdings Founding Partner Interests held by such Founding Partner (or in the case of a series of related terminations of a group of Founding Partners, the capital account underlying the Holdings Founding Partner Interests held by such group of Founding Partners) is in excess of $2 million on the date of termination.

ARTICLE VII

TERMINATION

Section 7.01 *Termination*. Upon a termination of the Merger Agreement, this Agreement shall terminate automatically and without notice.

Section 7.02 *Effect of Termination*. In the event of any termination of this Agreement pursuant to Section 7.01, no Party (or any of its Subsidiaries or any of their respective Representatives) shall have any Liability or further obligation to any other Party.

Table of Contents

ARTICLE VIII

MISCELLANEOUS

Section 8.01 *Entire Agreement*. This Agreement shall constitute the entire agreement among the Parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter.

Section 8.02 *Governing Law; Consent to Jurisdiction*. (a) This Agreement shall be governed by and construed in accordance with the internal laws of the State of Delaware, without regard to the conflicts-of-law principles of such State.

(b) Each of the Parties hereto irrevocably and unconditionally submits to the exclusive jurisdiction of the Delaware Court of Chancery (and if the Delaware Court of Chancery shall be unavailable, any Delaware State court and the Federal court of the United States of America sitting in the State of Delaware) for the purposes of any suit, action or other proceeding arising out of this Agreement or any transaction contemplated hereby (and agrees that no such action, suit or proceeding relating to this Agreement shall be brought by it or any of its subsidiaries except in such courts). Each of the Parties further agrees that, to the fullest extent permitted by Applicable Law, service of any process, summons, notice or document by U.S. registered mail to such Person s respective address set forth above shall be effective service of process for any action, suit or proceeding in Delaware with respect to any matters to which it has submitted to jurisdiction as set forth above in the immediately preceding sentence. Each of the Parties hereto irrevocably and unconditionally waives (and agrees not to plead or claim), any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement in the Delaware Court of Chancery (and if the Delaware Court of Chancery shall be unavailable, in any Delaware State court or the Federal court of the United States of America sitting in the State of Delaware) or that any such action, suit or proceeding brought in any such court has been brought in an inconvenient forum.

Section 8.03 *Amendment and Modification*. This Agreement may be amended, modified or supplemented only by a written agreement signed by all of the Parties; *provided*, *however*, that any such amendment, modification or supplement shall require the prior written approval of the Special Committee of the Board of Directors of eSpeed, if prior to the effective time of the Merger, or the Audit Committee of the Board of Directors of the Surviving Company, if after the effective time of the Merger.

Section 8.04 *Successors and Assigns; No Third-Party Beneficiaries*. (a) This Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns, but neither this Agreement nor any rights, interests and obligations hereunder shall be assigned by any Party without the prior written consent of each of the other Parties (which consent shall not be unreasonably withheld); *provided*, *however*, that BGC Partners may assign its rights and obligations to a wholly owned subsidiary of BGC Partners without the prior written consent of the other Party; *provided*, *further*, that no such assignment shall relieve BGC Partners of any of its obligations hereunder.

(b) This Agreement is solely for the benefit of the Parties and is not intended to confer upon any other Persons any rights or remedies hereunder, except that prior to the effective time of the Merger, eSpeed shall be a third-party beneficiary of this Agreement and shall be entitled to enforce the rights of BGC Partners under this Agreement.

Table of Contents

Section 8.05 *Notices*. All notices and other communications to be given to any Party hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered by hand, courier or overnight delivery service or three days after being mailed by certified or registered mail, return receipt requested, with appropriate postage prepaid, or when received in the form of a telegram or facsimile and shall be directed to the address set forth below (or at such other address or facsimile number as such Party shall designate by like notice):

(a) If to Cantor:
Cantor Fitzgerald, L.P.

110 East 59th Street

New York, New York 10022

Attention: General Counsel
Fax No: (212) 829-4708
with a copy to:

Wachtell, Lipton, Rosen & Katz

51 West 52nd Street

New York, New York 10019

Attention: Craig M. Wasserman, Esq.
Gavin D. Solotar, Esq.
Fax No: (212) 403-2000

(b) If to BGC Partners, U.S. Opco, Global Opco or Holdings:
c/o BGC Partners, LLC

199 Water Street

New York, New York 10038

Attention: General Counsel
Fax No: (212) 829-4708
with a copy to:

Debevoise & Plimpton LLP

919 Third Avenue

New York, New York 10022

Attention: William D. Regner, Esq.
Fax No: (212) 909-6836
All such notices, demands and other communications shall be deemed to have been duly given when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial courier service; five (5) Business Days after being deposited in the mail, postage prepaid, if mailed; and when receipt is mechanically acknowledged, if telecopied. Any Party may by notice given in accordance with this Section 8.05 designate another address or Person for receipt of notices hereunder.

Section 8.06 *Counterparts*. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 8.07 *Waivers of Default*. Waiver by any Party of any default by any other Party of any provision hereof or of any Ancillary Agreement shall not be deemed a waiver by the waiving Party of any subsequent or other default, nor shall it prejudice the rights of such other Party.

[Remainder of page left intentionally blank]

Table of Contents

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the date first written above.

CANTOR FITZGERALD, L.P.

By:
Name:
Title:

BGC PARTNERS, LLC

By:
Name:
Title:

BGC PARTNERS, L.P.

By:
Name:
Title:

BGC GLOBAL HOLDINGS, L.P.

By:
Name:
Title:

BGC HOLDINGS, L.P.

By:
Name:
Title:

[Signature Page to Separation Agreement, dated as of [•], 2008,

by and among Cantor, BGC Partners, U.S. Opco, Global Opco and Holdings]

Table of Contents

Annex C

FORM OF

AGREEMENT OF LIMITED PARTNERSHIP

OF

BGC HOLDINGS, L.P.[1]

Amended and Restated as of **[•]**, 2008

[1] THE TRANSFER OF THE PARTNERSHIP INTERESTS DESCRIBED IN THIS AGREEMENT IS RESTRICTED AS DESCRIBED HEREIN.

Table of Contents

TABLE OF CONTENTS

C-i

Table of Contents

Table of Contents

Table of Contents

This AGREEMENT OF LIMITED PARTNERSHIP (together with all exhibits, annexes and schedules hereto, this *Agreement*) of BGC Holdings, L.P., a Delaware limited partnership (the *Partnership*), dated as of [•], 2008, is by and among BGC GP, LLC, a Delaware limited liability company (*BGC GP LLC*), as the general partner of the Partnership, Cantor Fitzgerald, L.P., a Delaware limited partnership (*Cantor*), as a limited partner, BGC Partners, LLC, a Delaware limited liability company (*BGC Partners*), and the Persons to be admitted as Partners (as defined below) or otherwise parties hereto as set forth herein.

RECITALS

WHEREAS, the Partnership was formed as a limited partnership under the Delaware Revised Uniform Limited Partnership Act, Del. Code Ann. tit. 6, §17-101, *et seq*., as amended from time to time (the *Act*), pursuant to an Agreement of Limited Partnership, dated as of August 24, 2004, by and among BGC Holdings II, LLC, a Delaware limited partnership (the *Initial General Partner*) and Cantor, as limited partner (as amended and restated on July 15, 2005, the *Original Limited Partnership Agreement*); and

WHEREAS, Cantor, BGC Partners, BGC Partners, L.P., a Delaware limited partnership (*U.S. Opco*), BGC Global Holdings, L.P., a Cayman Islands limited partnership (*Global Opco*), and the Partnership have entered into that certain Separation Agreement, dated as of [•], 2008 (the *Separation Agreement*), pursuant to which, among other things, Cantor has agreed to separate the Inter-Dealer Brokerage Business, the Market Data Business and the Fulfillment Business (each as defined in the Separation Agreement and together, the *BGC Businesses*) from the remainder of the businesses of Cantor by contributing the BGC Businesses to BGC Partners and its applicable Subsidiaries, including U.S. Opco and Global Opco, in the manner and on the terms and conditions set forth in the Separation Agreement (the *Separation*);

WHEREAS, as part of the Separation, the Initial General Partner withdrew as general partner of the Partnership;

WHEREAS, as part of the Separation, BGC GP LLC accepted the General Partnership Interest and was admitted as the General Partner and continued the Partnership without dissolution;

WHEREAS, as part of the Separation, certain partners of Cantor associated with the BGC Businesses are having their limited partner interests in Cantor redeemed (the *Cantor Redemption*) for, among other things, Limited Partnership Interests held by Cantor and are being admitted as Founding Partners, and such interests shall be designated as Founding Partner Interests when held by such Persons and as Exchangeable Limited Partnership Interests when held by Cantor;

WHEREAS, as a part of the compensation of certain employees of the BGC Businesses, concurrently with the Merger, the Partnership is issuing REU Interests to such employees of the BGC Business, on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, certain of the Limited Partnership Interests designated as Exchangeable Limited Partnership Interests, Founding Partner Interests or REU Interests will be exchangeable with BGC Partners for shares of BGC Partners Common Stock, on the terms and subject to the conditions set forth in this Agreement; and

WHEREAS, the Partners are amending and restating the Original Limited Partnership Agreement in order to, among other things, provide for or attest to the foregoing transactions contemplated by the Separation Agreement, effective immediately.

Table of Contents

NOW, THEREFORE, the parties hereto hereby adopt the following as the amended and restated partnership agreement of the Partnership within the meaning of the Act:

ARTICLE I

DEFINITIONS

SECTION 1.01. *Definitions*. As used in this Agreement, the following terms have the meanings set forth below:

Accounting Period means (a) in the case of the first Accounting Period, the period commencing on the date of this Agreement and ending at the next Closing of the Books Event, and (b) in the case of each subsequent Accounting Period, the period commencing immediately after a Closing of the Books Event and ending at the next Closing of the Books Event.

Act has the meaning set forth in the recitals to this Agreement.

Action means any action, claim, suit, litigation, proceeding (including arbitral) or investigation.

Acquired Global Opco Interest has the meaning set forth in Section 8.07.

Acquired Interests has the meaning set forth in Section 8.07.

Acquired U.S. Opco Interest has the meaning set forth in Section 8.07.

Additional Amounts shall have the meaning set forth in Section 12.02(c)(ii).

Adjusted Capital Account means, with respect to the Founding/Working Partner Interest of a Founding/Working Partner or the REU Interest of an REU Partner, as the case may be, and subject to Section 6.01(c) and (d), the Capital Account balance with respect to such Interest determined without regard to (a) any adjustment pursuant to the penultimate sentence of Section 5.03 or, unless otherwise deemed appropriate by the General Partner in its sole and absolute discretion, the provisions of Exhibit D or (b) the balance of any Extraordinary Account and adjusted to reflect, to the extent deemed appropriate by the General Partner in its sole and absolute discretion, any special allocations to such Interest pursuant to Section 5.04(b) not otherwise reflected in the Capital Account of such Interest. Any gain recognized or deemed recognized as a result of such distribution shall not affect any Adjusted Capital Account unless otherwise deemed appropriate by the General Partner in its sole and absolute discretion. The Adjusted Capital Account is used for calculating amounts payable to certain Founding/Working Partners or REU Partners, as the case may be, upon termination or redemption of their Founding/Working Partner Interest or the REU Interest, as the case may be.

Adjusted Capital Account Surplus means, with respect to the Working Partner Interest of a Working Partner, the Adjusted Capital Account with respect to such Working Partner Interest less the Capital Return Account with respect to such Working Partner Interest.

Adjustment Amount means, with respect to the Founding/Working Partner Interest of a Founding/Working Partner or the REU Interest of an REU Partner, the sum of (i) the amounts of all distributions, if any, paid to any such Partner with respect to such Partner s Founding/Working Partner Interest or REU Interest, as the case may be, subsequent to the Calculation Date or such other date as is provided herein for calculating the amount payable to such Partner, and (ii) the outstanding principal of any loan and accrued and unpaid interest thereon or any other indebtedness (including negative participations, if any) of such Partner owed to the Partnership or any Affiliated Entity, whether or not actually reflected on the books of the Partnership or any Affiliated Entity.

Table of Contents

Affiliate means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person.

Affiliated Entities shall mean the limited and general partnerships, corporations or other entities owned, controlled by or under common control with the Partnership.

AFR means the applicable federal rate pursuant to Section 1274 of the Code as in effect from time to time. Unless otherwise determined by the General Partner, AFR shall mean the short term AFR.

Agreement has the meaning set forth in the preamble to this Agreement.

Ancillary Agreements means Ancillary Agreements as defined in the Separation Agreement.

Applicable Tax Rate means the estimated highest aggregate marginal statutory U.S. federal, state and local income, franchise and branch profits tax rates (determined taking into account the deductibility of state and local income taxes for federal income tax purposes and the creditability or deductibility of foreign income taxes for federal income tax purposes) (*Tax Rate*) applicable to any Partner on income of the same character and source as the income allocated to such Partner pursuant to Sections 5.04(a) and (b) for such fiscal year, fiscal quarter or other period, as determined by the tax matters partner in its discretion; *provided* that, in the case of a Partner that is a partnership, grantor trust or other pass-through entity under U.S. federal income tax law, the Tax Rate applicable to such Partner for purposes of determining the Applicable Tax Rate shall be the weighted average of the Tax Rates of such Partner s members, grantor-owners or other beneficial owners (weighted in proportion to their relative economic interests in such Partner), as determined by the tax matters partner in its discretion; *provided*, *further*, that if any such member, grantor-owner or other beneficial owner of such Partner is itself a partnership, grantor trust or other pass-through entity similar principles shall be applied by the tax matters partner in its discretion to determine the Tax Rate of such member, grantor-owner or other beneficial owner.

Article XI Term has the meaning set forth in Section 11.01(b).

Assumed Tax Amount shall mean, with respect to any Units held by a Partner, the product of all items of income or gain allocated to a Partner with respect to such Units (reduced, but not below zero (0), by all items of loss or deduction allocated to such Partner with respect to such Units) times the Assumed Tax Rate.

Assumed Tax Rate shall mean 50%.

Bankruptcy (including the form *Bankrupt*) means, with respect to a Founding/Working Partner or an REU Partner, as the case may be, (a) the making of an assignment for the benefit of creditors by such Partner, (b) the filing of a voluntary petition in bankruptcy by such Partner, (c) the adjudication of such Partner as a bankrupt or insolvent, or the entry against such Partner of an order for relief in any bankruptcy or insolvency proceeding; *provided* that such order for relief or involuntary proceeding is not stayed or dismissed within 120 days, (d) the filing by such Partner of a petition or answer seeking for itself or any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any bankruptcy statute, law or regulation, or (e) the filing by such Partner of an answer or other pleading admitting or failing to contest the material allegations of a petition filed against it in any proceeding of that nature. With respect to a Founding/Working Partner or an REU Partner, as the case may be, *Bankruptcy* shall also include the appointment of or the seeking of the appointment of (in each case by any person), a trustee, receiver or liquidator of it or of all or any substantial part of the properties of such Partner. With respect to a corporate Founding/Working Partner or an REU Partner, as the case may be, Bankruptcy shall also include the occurrence of any of the aforementioned events with respect to the beneficial owner of a majority of the stock of such Partner. Notwithstanding the foregoing, no event shall constitute the *Bankruptcy* of a Founding/Working Partner or an REU Partner, as the case may be, unless the General Partner so determines in its sole and absolute discretion.

Base Amount shall have the meaning set forth in Section 12.02(b)(iii).

Table of Contents

BGC Business has the meaning set forth in the recitals to this Agreement.

BGC GP LLC has the meaning set forth in the preamble to this Agreement.

BGC Partners has the meaning set forth in the preamble to this Agreement; *provided* that, after the effective time of the Merger, BGC Partners shall refer to the surviving company in the Merger.

BGC Partners Class A Common Stock means (1) prior to the Merger, the Class A Units of BGC Partners; and (2) after the Merger, the Class A common stock, par value $0.01 per share, of BGC Partners (it being understood that if the BGC Partners Class A Common Stock, as a class, shall be reclassified, exchanged or converted into another security (including as a result of a merger, consolidation or otherwise) or the right to receive such security, each reference to BGC Partners Class A Common Stock in this Agreement shall refer to such other security into which the BGC Partners Class A Common Stock was reclassified, exchanged or converted).

BGC Partners Class B Common Stock means (1) prior to the Merger, the Class B Units of BGC Partners; and (2) after the Merger, the Class B common stock, par value $0.01 per share, of BGC Partners (it being understood that if the BGC Partners Class B Common Stock, as a class, shall be reclassified, exchanged or converted into another security (including as a result of a merger, consolidation or otherwise) or the right to receive such security, each reference to BGC Partners Class B Common Stock in this Agreement shall refer to such other security into which the BGC Partners Class B Common Stock was reclassified, exchanged or converted).

BGC Partners Common Stock means (1) prior to the Merger, the limited liability company interests of BGC Partners; and (2) after the Merger, the BGC Partners Class A Common Stock or the BGC Partners Class B Common Stock, as applicable.

BGC Partners Company means any member of the BGC Partners Group.

BGC Partners Group means BGC Partners and its Subsidiaries (other than the Partnership and its Subsidiaries, U.S. Opco and its Subsidiaries and Global Opco and its Subsidiaries).

BGC Ratio means, as of any time, the number equal to (a) the aggregate number of U.S. Opco Units held by the BGC Partners Group as of such time *divided by* (b) the aggregate number of shares of BGC Partners Common Stock issued and outstanding as of such time.

Book Value of an asset shall mean the value of an asset on the books and records of the Partnership (as adjusted pursuant to the penultimate sentence of Section 5.03) except that the initial Book Value of an asset contributed to the Partnership shall be the amount credited to the Capital Account of the contributing Partner with respect to such contribution.

Business Day shall mean any day excluding Saturday, Sunday and any day on which banking institutions located in New York, New York are authorized or required by applicable Law or other governmental action to be closed.

Calculation Date means, at the election of the General Partner, (a) the date on which a Founding/Working Partner or an REU Partner, as the case may be, becomes a Terminated or Bankrupt Founding/Working Partner or a Terminated or Bankrupt REU Partner, as the case may be (the *termination date*); or (b) any date selected by the General Partner between the termination date and the 120th day preceding the date on which a Founding/Working Partner or an REU Partner, as the case may be, becomes a Terminated or Bankrupt Founding/Working Partner or an REU Partner, as the case may be (*provided*, *however*, that if such day is not the last day of a calendar month, the General Partner may select as the Calculation Date the last day of the month preceding the month in which such 120th preceding the termination date; *provided*, *however*, that if such 120th day is not the last day of a calendar month, the General Partner may select as the Calculation Date the last day of the month preceding the month in which such 120th preceding day occurs.

Table of Contents

Cantor has the meaning set forth in the preamble to this Agreement.

Cantor Company means any member of the Cantor Group.

Cantor Group means Cantor and its Subsidiaries (other than the Partnership and its Subsidiaries or any member of the BGC Partners Group).

Cantor HDIV Tax Payment Account shall have the meaning ascribed to the term HDIV Tax Payment Account in the Cantor Partnership Agreement.

Cantor Partnership Agreement shall mean the Amended and Restated Agreement of Limited Partnership of Cantor, as it may be amended from time to time.

Cantor Redemption has the meaning set forth in the recitals to this Agreement.

Cantor Redemption Date shall mean the effective date of the Cantor Redemption.

Capital means, with respect to any Partner, such Partner s capital in the Partnership as reflected in such Partner s Capital Account.

Capital Account means, with respect to any Partner, such Partner s capital account established on the books and records of the Partnership.

Capital Return Account shall mean, with respect to any Partner s Interest, the excess, if any, of (i) the initial Capital Account with respect to such Interest, increased by any subsequent capital contributions with respect to such Interest and reduced by the amount of any losses or deductions (or items thereof) allocated to such Partner with respect to such Interest in excess of income or gain allocated to such Partner with respect to such Interest, over (ii) the aggregate of all distributions made to such Partner with respect to such Interest pursuant to Section 6.01 less the Assumed Tax Amount with respect to such Interest; *provided* that in no event shall a Capital Return Account be negative.

Certificate of Limited Partnership means the certificate of limited partnership of the Partnership filed with the office of the Secretary of State of the State of Delaware on August 24, 2004.

CFLP HDII Account shall have the meaning ascribed to the term HDII Account in the Cantor Partnership Agreement.

CFLP HDII Special Allocation Rate shall have the meaning ascribed to the term HDII Special Allocation Rate in the Cantor Partnership Agreement.

CFLP HDII Account Reduction Obligation shall have the meaning ascribed to the term HDII Account Reduction Obligation in the Cantor Partnership Agreement.

Challenge has the meaning set forth in Section 13.19(a) of this Agreement.

Challenge Deadline has the meaning set forth in Section 13.19(a) of this Agreement.

Closing of the Books Event means any of (a) the close of the last day of each calendar year and each calendar quarter, (b) the dissolution of the Partnership, (c) the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimis amount of property, (d) the distribution by the Partnership to a Partner of more than a de minimis amount of Partnership property as consideration for an interest in the Partnership, or (e) any other time that the General Partner determines to be appropriate for an interim closing of the Partnership s books.

Table of Contents

Code means the U.S. Internal Revenue Code of 1986, as amended, or any successor statute thereto.

Competing Business shall have the meaning set forth in Section 12.02(c)(iii).

Competing Owner shall have the meaning set forth in Section 12.02(c)(vi).

Competitive Activities shall have the meaning set forth in Section 12.02(c)(iii).

Contribution means Contribution as defined in the Separation Agreement.

Corporate Opportunity means any business opportunity that the Partnership is financially able to undertake, that is, from its nature, in any of the Partnership s lines of business, is of practical advantage to the Partnership and is one in which the Partnership has an interest or a reasonable expectancy, and in which, by embracing the opportunities, the self-interest of Cantor, BGC Partners or their respective Representatives will be brought into conflict with the Partnership s self-interest.

Current Market Price means, as of any date: (a) if shares of BGC Partners Class A Common Stock are listed on an internationally recognized stock exchange, the average of the closing price per share of BGC Partners Class A Common Stock on each of the 10 consecutive trading days ending on such date (it being understood that such price shall be appropriately adjusted in the event that there is a stock dividend or stock split during such 10-consecutive-trading-day period), or (b) if shares of BGC Partners Class A Common Stock are not listed on an internationally recognized stock exchange, the fair value of a share of BGC Partners Class A Common Stock as agreed in good faith by Cantor and the Audit Committee of BGC Partners.

DGCL has the meaning set forth in Section 10.02(a).

Disinterested Director has the meaning set forth in Section 10.02(i)(i).

Effective Date has the meaning set forth in Section 13.19.

Electing Partner has the meaning set forth in Section 8.01(e).

Eligible Recipient means (a) any Limited Partner, (b) any Cantor Company or any Affiliate, employee or partner of a Cantor Company, or (c) any other Person selected by the Exchangeable Limited Partners (by Majority in Interest); *provided* that such Person in this clause (c) shall not be primarily engaged in any business that competes with any business conducted directly by the Partnership or any of its Subsidiaries in each case at the time of issuance of the Founding/Working Partner Units or REUs, as the case may be, to such Person.

Encumbrance has the meaning set forth in Section 7.05.

Estimated Proportionate Quarterly Tax Distribution means the Proportionate Quarterly Tax Distribution calculated using the Tax Matters Partner s estimate of the aggregate amount of taxable income or gain to be allocated to the Partners pursuant to Section 5.04(a) for the applicable period (excluding any item of income, gain, loss or deduction allocated in respect of any Special Item).

Estimated Tax Due Date means (a) in the case of a Partner that is not an individual, the 15th day of each April, June, September and December or (b) in the case of a Partner that is an individual, the 15th day of each April, June, September and January.

Excess Prior Distributions means, with respect to any Working Partner Interest of a Working Partner, the excess, if any, of (a) the aggregate of all distributions made to such Working Partner with respect to such Working Partner Interest pursuant to Section 6.01 less the Assumed Tax Amount with respect to such Working

Table of Contents

Partner Interest, over (b) such Working Partner s initial Capital Account with respect to such Working Partner Interest, increased by any Capital contributions with respect to such Working Partner Interest and reduced by the amount of any net loss or deduction (or items thereof) allocated pursuant to Section 5.04 to such Working Partner with respect to such Working Partner Interest in excess of net income or gain allocated pursuant to Section 5.04 to such Working Partner in respect of such Working Partner Interest. In no event shall Excess Prior Distributions be negative.

Exchange means an exchange of all or a portion of an Exchange Right Interest with BGC Partners for BGC Partners Common Stock, on the terms and subject to the conditions set forth in this Agreement.

Exchange Effective Date has the meaning set forth in Section 8.01(e).

Exchange Effective Time has the meaning set forth in Section 8.01(f).

Exchange Ratio means, with respect to each Exchange, one (1) Exchange Right Unit shall be exchangeable for one (1) share of BGC Partners Common Stock, subject to adjustment as provided in Section 8.06.

Exchange Request has the meaning set forth in Section 8.01(e).

Exchange Right means the right of a holder of an Exchange Right Interest to exchange all or a portion of such Exchange Right Interest with BGC Partners for BGC Partners Common Stock, on the terms and subject to the conditions set forth in this Agreement.

Exchange Right Interest means any of (a) an Exchangeable Limited Partnership Interest, (b) if and to the extent that Cantor shall so determine with respect to all or a portion of a Founding Partner Interest pursuant to Section 8.01(b)(ii), such Founding Partner Interest or portion thereof, (c) if and to the extent that the General Partner shall so determine (with the consent of a Majority in Interest) with respect to all or a portion of an REU Interest pursuant to Section 8.01(b)(iii), such REU Interest or portion thereof and (d) if and to the extent that the General Partner shall so determine (with the consent of a Majority in Interest) with respect to all or a portion of a Working Partner Interest pursuant to Section 8.01(b)(iv), such Working Partner Interest or portion thereof.

Exchange Right Unit means (a) any Unit designated as an Exchangeable Limited Partner Unit, (b) if and to the extent that Cantor shall have determined that a Founding Partner Unit shall be exchangeable pursuant to Section 8.01(b)(ii), such Founding Partner Unit, (c) if and to the extent that the General Partner shall have determined (with the consent of a Majority in Interest) that an REU shall be exchangeable pursuant to Section 8.01(b)(iii), such REU or (d) if and to the extent that the General Partner shall have determined (with the consent of a Majority in Interest) that a Working Partner Unit shall be exchangeable pursuant to Section 8.01(b)(iv), such Working Partner Unit.

Exchangeable Limited Partner means (a) any Cantor Company that holds an Exchangeable Limited Partnership Interest and that has not ceased to hold such Exchangeable Limited Partnership Interest and (b) any Person to whom a Cantor Company has Transferred an Exchangeable Limited Partnership Interest and, prior to or at the time of such Transfer, whom Cantor has agreed shall be designated as an Exchangeable Limited Partner for purposes of this Agreement.

Exchangeable Limited Partnership Interest means, with respect to any Exchangeable Limited Partner, such Partner s Exchangeable Limited Partner Units and Capital designated as an Exchangeable Limited Partnership Interest on *Schedule 4.02* and *Schedule 5.01* in accordance with this Agreement and rights and obligations with respect to the Partnership pursuant to this Agreement and applicable law by virtue of such Partner holding such Exchangeable Limited Partner Units and having such Capital. For the avoidance of doubt, except as otherwise set forth in Section 4.03(c)(iii), Founding/Working Partner Interests, Working Partner Interests and REU Interests shall be deemed not to be Exchangeable Limited Partnership Interests.

Table of Contents

Exchangeable Limited Partner Unit means any Unit designated as an Exchangeable Limited Partner Unit.

Exempt Organization means a charitable organization, private foundation or other similar organization that is exempt from federal income tax under Section 501 of the Code.

Extraordinary Account has the meaning set forth in Section 11.01(a).

Extraordinary Expenditures has the meaning set forth in Section 11.01(a).

Extraordinary Income Items has the meaning set forth in Section 11.01(a).

Extraordinary Percentage Interest has the meaning set forth in Section 11.01(d)(ii).

Final Adjudication has the meaning set forth in Section 13.19.

Final Adjudication Date has the meaning set forth in Section 13.19.

Five Year Units means any Working Partner Units acquired by a Working Partner who becomes a Terminated or Bankrupt Partner after the 60-month anniversary of the later of the date on which such Partner acquired such Working Partner Units from the Partnership, but on or prior to the 120-month anniversary of such date.

Founding Partner means a holder of Founding Partner Interests; *provided* that any member of the Cantor Group and Howard W. Lutnick (including any entity directly or indirectly controlled by Howard W. Lutnick or any trust of which he is a grantor, trustee or beneficiary) shall not be a Founding Partner.

Founding Partner Interest means, with respect to any Founding Partner, such Partner s Founding Partner Units and Capital designated as Founding Partner Interest on *Schedule 4.02* and *Schedule 5.01* (such Schedule to include the Adjusted Capital Account of such Founding Partner immediately following the Cantor Redemption, which shall reflect the adjusted capital account (as such term was then defined in the Cantor Partnership Agreement) of such Founding Partner s units in Cantor which were redeemed in the Cantor Redemption) in accordance with this Agreement and rights and obligations with respect to the Partnership pursuant to this Agreement and applicable law by virtue of such Partner holding such Units and having such Capital.

Founding Partner Unit means any Unit (High Distribution Units, High Distribution II Units, High Distribution III Units, High Distribution IV Units, Grant Units or Matching Grant Units) that are received by such Partner in the Cantor Redemption or received by such Partner from a Cantor Company and, in each case, designated as a Founding Partner Unit in accordance with this Agreement.

Founding/Working Partner means any holder of a Founding Partner Interest and/or a Working Partner Interest.

Founding/Working Partner Interest means a Founding Partner Interest or a Working Partner Interest.

Founding/Working Partner Unit means any Unit underlying a Founding/Working Partner Interest.

General Partner means BGC GP LLC or any Person who has been admitted, as herein provided, as an additional or substitute general partner, and who has not ceased to be a general partner, each in its capacity as a general partner of the Partnership.

General Partnership Interest means, with respect to the General Partner, such Partner s Unit and Capital designated as the General Partnership Interest on *Schedule 4.02* and *Schedule 5.01* in accordance with this

Table of Contents

Agreement and rights and obligations with respect to the Partnership pursuant to this Agreement and applicable law by virtue of such Partner being a General Partner and having such Unit and Capital.

Global Opco has the meaning set forth in the recitals to this Agreement.

Global Opco Capital means Capital as defined in the Global Opco Limited Partnership Agreement.

Global Opco General Partner means the General Partner as defined in the Global Opco Limited Partnership Agreement.

Global Opco General Partner Interest means the General Partner Interest as defined in the Global Opco Limited Partnership Agreement.

Global Opco Interest means an Interest as defined in the Global Opco Limited Partnership Agreement.

Global Opco Limited Partnership Agreement means the amended and restated limited partnership agreement of Global Opco, in the form attached hereto as Exhibit A.

Global Opco Limited Partnership Interest means the Limited Partnership Interest as defined in the Global Opco Limited Partnership Agreement.

Global Opco Special Voting Limited Partnership Interest means the Special Voting Limited Partnership Interest as defined in the Global Opco Limited Partnership Agreement.

Global Opco Units means Units as defined in the Global Opco Limited Partnership Agreement.

Grant Tax Payment Account shall have the meaning set forth in Section 12.02(g)(i).

Grant Units means any Unit designated as a Grant Unit in accordance with this Agreement.

Group means the Cantor Group or the BGC Partners Group, as applicable.

HDII Account means, with respect to any Founding/Working Partner holding High Distribution II Units, such Founding/Working Partner s HDII account established on the books and records of the Partnership.

HDII Account Reduction Obligation shall have the meaning set forth in Section 12.01(b)(iv).

HDII Contributions shall have the meaning set forth in Section 12.01(b)(ii)(A).

HDII Special Allocation shall have the meaning set forth in Section 12.01(b)(iii).

HDII Special Allocation Rate shall have the meaning set forth in Section 12.01(b)(iii).

HDIII Account means, with respect to any Founding/Working Partner holding High Distribution III Units, such Founding/Working Partner s HDIII account established on the books and records of the Partnership.

HDIII Account Reduction Obligation shall have the meaning set forth in Section 12.01(c).

High Distribution Units means any Unit designated as a High Distribution Unit in accordance with this Agreement.

Table of Contents

High Distribution II Units means any Unit designated as a High Distribution II Unit in accordance with this Agreement.

High Distribution III Units means any Unit designated as a High Distribution III Unit in accordance with this Agreement.

High Distribution IV Units means any Unit designated as a High Distribution IV Unit in accordance with this Agreement.

Holdings Group means the Partnership and its Subsidiaries (other than U.S. Opco, Global Opco and their respective Subsidiaries).

Holdings Ratio means, as of any time, the number equal to (a) the aggregate number of U.S. Opco Units held by the Holdings Group as of such time *divided by* (b) the aggregate number of Units issued and outstanding as of such time.

Hypothetical Unit has the meaning set forth in Section 11.01(d)(iii).

Independent Counsel has the meaning set forth in Section 10.02(i).

Initial General Partner has the meaning set forth in the preamble to this Agreement.

Initial Vesting Date has the meaning set forth in Section 11.01(d)(i).

Interest means the General Partnership Interest and any Limited Partnership Interest (including, for the avoidance of doubt, a Regular Limited Partnership Interest, an Exchangeable Limited Partnership Interest, the Special Voting Limited Partnership Interest, the Founding Partner Interest, the REU Interest and the Working Partner Interest).

Limited Partner means a Regular Limited Partner (including, for the avoidance of doubt, the Exchangeable Limited Partners and the Special Voting Limited Partners), a Founding Partner, the REU Partner or a Working Partner, each in its capacity as a limited partner of the Partnership.

Limited Partnership Interests means the Regular Limited Partnership Interests, the Exchangeable Limited Partnership Interests, the Special Voting Limited Partnership Interest, the Founding Partner Interests, the REU Interests and the Working Partner Interests.

Majority in Interest means the Exchangeable Limited Partner(s) holding a majority of the Units underlying the Exchangeable Limited Partnership Interests outstanding as of the applicable record date.

Matching Grant Tax Payment Account shall have the meaning set forth in Section 12.02(i)(i).

Matching Grant Units means any Unit designated as a Matching Grant Unit in accordance with this Agreement.

Matching Post-Termination Payment shall have the meaning set forth in Section 12.02(h)(i).

Merger Agreement means the Agreement and Plan of Merger, dated as of May 29, 2007, among BGC Partners, the Partnership, eSpeed, Inc., U.S. Opco and Global Opco.

Merger means the merger of BGC Partners and eSpeed, Inc. set forth in the Merger Agreement.

NIC has the meaning set forth in Section 12.02(j)(vi).

Table of Contents

Opcos means U.S. Opco and Global Opco.

Original Limited Partnership Agreement has the meaning set forth in the recitals to this Agreement.

Other Cantor Businesses means Other Cantor Businesses as defined in the Separation Agreement.

Participation Plan means the participation plan of the Partnership, as amended from time to time, in the form attached hereto as Exhibit B.

Partner Obligations has the meaning set forth in Section 3.03(a).

Partners means the Limited Partners (including, for the avoidance of doubt, the Regular Limited Partners, the Exchangeable Limited Partners, the Special Voting Limited Partner, the Founding Partners, the REU Partners and the Working Partners) and the General Partner, and *Partner* means any of the foregoing.

Partnership has the meaning set forth in the preamble to this Agreement.

PAYE has the meaning set forth in Section 12.02(j)(vi).

Payment Date shall have the meaning set forth in Section 12.02(b)(ii).

Percentage Interest means, as of the applicable calculation time, with respect to a Partner, the ratio, expressed as a percentage, of the number of Units held by such Partner over the number of Units held by all Partners.

Person means any individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, governmental entity or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

Personal Representative shall mean the executor, administrator or other personal representative of any deceased or disabled Founding/Working Partner or REU Partner, as the case may be, or any trustee of the estate of any bankrupt or deceased Founding/Working Partner or REU Partner, as the case may be.

Post-Termination Payment shall have the meaning set forth in Section 12.02(f)(i).

Pre Five Year Units means any Working Partner Units acquired by a Working Partner who becomes a Terminated or Bankrupt Partner on or prior to the 60-month anniversary of the date on which such Partner acquired such Working Partner Units.

proceeding has the meaning set forth in Section 10.02(a).

Proportionate Quarterly Tax Distribution means, for each Partner for each fiscal quarter or other applicable period, such Partner s Proportionate Tax Share for such fiscal quarter or other applicable period.

Proportionate Tax Share means, with respect to a Partner, the product of (a) the Tax Distribution for the fiscal year, fiscal quarter or other period, as applicable, and (b) the Percentage Interest of such Partner for such fiscal year, fiscal quarter or other period. In the event that the Percentage Interest of a Partner changes during any fiscal year, fiscal quarter or other period, the Proportionate Tax Share of such Partner and the other Partners, as the case may be, for such fiscal year, fiscal quarter or other period shall be appropriately adjusted to take into account the Partners varying interests.

Table of Contents

Publicly Traded Shares means shares of BGC Partners Common Stock (if listed on any national securities exchange or included for quotation in any quotation system in the United States (even if such shares are restricted securities under the Securities Act) and any shares of capital stock of any other entity, if such shares are of a class that is listed on any national securities exchange or included for quotation in any quotation system in the United States (even if such shares are restricted securities under the Securities Act).

Redemption Consideration shall have the meaning set forth in Section 13.19(b).

Reduction Date shall have the meaning set forth in Section 12.01(c).

Regular Limited Partner means any Person who has acquired a Regular Limited Partnership Interest pursuant to and in compliance with this Agreement and who shall have been admitted to the Partnership as a Regular Limited Partner in accordance with this Agreement and shall not have ceased to be a Regular Limited Partner under the terms of this Agreement.

Regular Limited Partnership Interest means, with respect to any Regular Limited Partner, such Partner s Units (including, any Units designated as Exchange Right Units), Capital, designated as a Regular Limited Partnership Interest (including, for the avoidance of doubt, designation as an Exchangeable Limited Partnership Interest and the Special Voting Limited Partnership Interest) on *Schedule 4.02* and *Schedule 5.01* in accordance with this Agreement and rights and obligations with respect to the Partnership pursuant to this Agreement and applicable law by virtue of such Partner holding such Units and having such Capital.

Requested Exchange Effective Date has the meaning set forth in Section 8.01(e).

Representatives means, with respect to any Person, the Affiliates, directors, officers, employees, general partners, agents, accountants, managing member, employees, counsel and other advisors and representatives of such Person.

Restricted Competition Period shall mean the period from the date on which a Person first becomes a Founding/Working Partner or an REU Partner (or, with respect to a Partner holding Founding Partner Units the date on which such Person first became a partner of Cantor), through the one-year period immediately following the date on which a Founding/Working Partner or an REU Partner, as the case may be, ceases, for any reason, to be a Founding/Working Partner or REU Partner, as the case may be.

REU means any Unit designated as an REU in accordance with the terms of this Agreement.

REU Interest means, with respect to any REU Partner, such Partner s REUs and Capital designated as REU Interest on *Schedule 4.02* and *Schedule 5.01* in accordance with this Agreement and rights and obligations with respect to the Partnership pursuant to this Agreement and applicable law by virtue of such Partner holding such REUs and having such Capital.

REU Partner means a holder of REU Interests.

REU Post-Termination Amount has the meaning set forth in Section 12.03(e)(i).

REU Post-Termination Payment has the meaning set forth in Section 12.02(j)(i).

Restricted Period shall mean the period from the date on which a Person first becomes a Founding/Working Partner or REU Partner (or, with respect to a Partner holding Founding Partner Units, the date on which such Person first became a partner of Cantor), through the four-year period immediately following the date on which a Founding/Working Partner or an REU Partner, as the case may be, ceases, for any reason, to be a Founding/Working Partner or REU Partner, as the case may be.

Table of Contents

Restricted Solicitation Period shall mean the period from the date on which a Person first becomes a Founding/Working Partner or an REU Partner, as the case may be (or, with respect to a Partner holding Founding Partner Units, the date on which such Person first became a partner of Cantor), through the two-year period immediately following the date on which a Founding/Working Partner or an REU Partner, as the case may be, ceases, for any reason, to be a Founding/Working Partner or an REU Partner, as the case may be.

Securities Act has the meaning set forth in *Section 7.06* of this Agreement.

Separation has the meaning set forth in the recitals to this Agreement.

Separation Agreement has the meaning set forth in the recitals to this Agreement.

Special Item means the matters set forth on *Schedule A*.

Special Voting Limited Partner means the Regular Limited Partner holding the Special Voting Limited Partnership Interest pursuant to and in compliance with this Agreement and who shall have been admitted to the Partnership as a Regular Limited Partner designated as the Special Voting Limited Partner in accordance with this Agreement and shall not have ceased to be a Regular Limited Partner designated as the Special Voting Limited Partner under the terms of this Agreement.

Special Voting Limited Partnership Interest means, with respect to the Special Voting Limited Partner, such Partner s Unit and Capital designated as the Special Voting Limited Partnership Interest on *Schedule 4.02* and *Schedule 5.01* in accordance with this Agreement and rights and obligations with respect to the Partnership pursuant to this Agreement and applicable law by virtue of such Partner holding such Unit and having such Capital.

Special Voting Partnership Unit means the Unit designated as the Special Voting Partnership Unit in accordance with this Agreement.

Subsidiary means, as of the relevant date of determination, with respect to any Person, any corporation or other Person of which 50% or more of the voting power of the outstanding voting equity securities or 50% or more of the outstanding economic equity interest is held, directly or indirectly, by such Person.

Tax Distribution means, for any fiscal quarter or fiscal year or other period of the Partnership during the term of the Partnership, the product of (a) the aggregate amount of taxable income or gain allocated to the Partners pursuant to Section 5.04(a) for such period (excluding any item of income, gain, loss or deduction allocated in respect of any Special Item) and (b) the Applicable Tax Rate for such period.

Ten Year Units means any Working Partner Units acquired by a Working Partner who becomes a Terminated or Bankrupt Partner after the 120-month anniversary of the date on which such Partner acquired such Units.

Termination (including the form *Terminated*) shall mean, with respect to any Founding/Working Partner or REU Partner, (a) the actual termination of the employment of such Partner, such that such Partner is no longer an employee of the Opcos or any Affiliated Entities, for any reason whatsoever, including termination by the employer with or without cause, by such Partner or by reason of death, or (b) in the sole and absolute discretion of the General Partner, the termination by the General Partner, which may occur without termination of a Partner s employment, of the Partner s status as a Partner by reason of the determination by the General Partner that such Partner has breached this Agreement or that such Partner has otherwise ceased to provide substantial services to the Partnership or any Affiliated Entity (such as by going or being placed on garden leave or entering into a similar type of arrangement), even if such cessation is at the direction of the Partnership or any Affiliated Entity. Termination shall also include the date on which a Founding/Working Partner or REU

Table of Contents

Partner ceases to be a Partner for any other reason including the date on which all of a Partner s Units are redeemed pursuant to Section 12.03. With respect to a corporate or other entity Partner, Termination shall also include the Termination of the beneficial owner, grantor, beneficiary or trustee of such Partner. A Partner shall be considered to be Terminated immediately upon the occurrence of the events described above (or, in the sole and absolute discretion of the General Partner, as of the first day of the fiscal quarter in which the event giving rise to such Termination occurs); *provided*, *however*, that such Partner (or in the case of a deceased Partner, the Personal Representative of such Partner), and the General Partner may agree in writing that such Partner shall not become a Terminated Partner until such later time as selected at any time by the General Partner or as is set forth in such written agreement.

Transfer means any transfer, sale, conveyance, assignment, gift, hypothecation, pledge or other disposition, whether voluntary or by operation of law, of all or any part of an Interest or any right, title or interest therein.

Transferee means the transferee in a Transfer or proposed Transfer.

Transferor means the transferor in a Transfer or proposed Transfer.

UCC has the meaning set forth in Section 4.07.

Under Three-Year Units means any Working Partner Units acquired by a Working Partner who becomes a Terminated or Bankrupt Working Partner prior to the 36 month anniversary of the date such Partner acquired such Units.

Unit means, with respect to any Partner, such Partner s partnership interest in the Partnership entitling the holder to a share in the Partnership s profits, losses and operating distributions as provided in this Agreement (including any Unit designated as an Exchange Right Unit, a Founding Partner Unit, an REU or a Working Partner Unit).

U.S. Opco means BGC Partners, L.P., a Delaware limited partnership.

U.S. Opco Capital means Capital as defined in the U.S. Opco Limited Partnership Agreement.

U.S. Opco General Partner means the General Partner as defined in the Global Opco Limited Partnership Agreement.

U.S. Opco General Partner Interest means the General Partner Interest as defined in the U.S. Opco Limited Partnership Agreement.

U.S. Opco Interest means an Interest as defined in the U.S. Opco Limited Partnership Agreement.

U.S. Opco Limited Partnership Agreement means the amended and restated limited partnership agreement of U.S. Opco, in the form attached hereto as Exhibit C.

U.S. Opco Limited Partnership Interest means the Limited Partnership Interest as defined in the U.S. Opco Limited Partnership Agreement.

U.S. Opco Special Voting Limited Partnership Interest means the Special Voting Limited Partnership Interest as defined in the U.S. Opco Limited Partnership Agreement.

U.S. Opco Units means Units as defined in the U.S. Opco Limited Partnership Agreement.

Vested Percentage has the meaning set forth in Section 11.01(d)(i).

Table of Contents

Working Partner means a holder of Working Partner Interests.

Working Partner Interest means, with respect to any Working Partner, such Partner s Working Partner Units and Capital designated as Working Partner Interest on *Schedule 4.02* and *Schedule 5.01* in accordance with this Agreement and rights and obligations with respect to the Partnership pursuant to this Agreement and applicable law by virtue of such Partner holding such Working Partner Units and having such Capital.

Working Partner Unit means any Unit (including High Distribution Units, High Distribution II Units, High Distribution III Units, High Distribution IV Units, Grant Units or Matching Grant Units) designated as a Working Partner Unit in accordance with the terms of this Agreement.

SECTION 1.02. *Other Definitional Provisions*. Wherever required by the context of this Agreement, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa, and references to any agreement, document or instrument shall be deemed to refer to such agreement, document or instrument as amended, supplemented or modified from time to time. When used herein:

(a) the word *or* is not exclusive unless the context clearly requires otherwise;

(b) the word *control* (including, with correlative meanings, the terms *controlled by* and *under common control with*), as used with respect to any Person, means the direct or indirect possession of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise;

(c) the words *including*, *includes*, *included* and *include* are deemed to be followed by the words *without limitation* ;

(d) the terms *herein*, *hereof* and *hereunder* and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision; and

(e) all section, paragraph or clause references not attributed to a particular document shall be references to such parts of this Agreement, and all exhibit, appendix, annex and schedule references not attributed to a particular document shall be references to such exhibits, appendixes, annexes and schedules to this Agreement.

SECTION 1.03. *References to Schedules*. The General Partner shall maintain and revise from time to time all schedules referred to in this Agreement in accordance with this Agreement. Notwithstanding anything in Section 13.02 to the contrary, any such revision shall not be deemed an amendment to this Agreement, and shall not require any further act, vote or approval of any Person.

ARTICLE II

FORMATION, CONTINUATION AND POWERS

SECTION 2.01. *Formation*. Effective as of 8:01 p.m., Wilmington, Delaware time, on August 24, 2004, the Partnership was formed pursuant to the laws of the State of Delaware pursuant to a Certificate of Limited Partnership. The Original Limited Partnership Agreement was entered into on August 24, 2004 and amended on July 15, 2005 and, prior to the effectiveness of this Agreement, constituted the partnership agreement (as defined in the Act) of the parties thereto. The Original Limited Partnership Agreement shall be amended and restated in its entirety to be this Agreement effective immediately prior to the closing of the Contribution pursuant to the Separation Agreement, and this Agreement shall thereafter constitute the partnership agreement (as defined in the Act) of the parties hereto.

Table of Contents

SECTION 2.02. *Name*. The name of the Partnership is BGC Holdings, L.P.

SECTION 2.03. *Purpose and Scope of Activity*. The purposes of the Partnership shall be to perform its obligations under the Ancillary Agreements; to hold, directly or indirectly, U.S. Opco General Partner Interest, the U.S. Opco Special Voting Limited Partnership Interest, U.S. Opco Limited Partnership Interests, the Global Opco General Partner Interest, the Global Special Voting Limited Partnership Interest and Global Opco Limited Partnership Interests; to administer the exchanges of Exchange Right Units in accordance with this Agreement and the Separation Agreement; to administer and manage the Partnership s relationship with Cantor, the Founding/Working Partners, the REU Partners, BGC Partners and the Opcos and its rights and obligations under the Ancillary Agreements to which it is a party (including by exercising its rights thereunder); and to engage in any activity, and to take any action, necessary, appropriate, proper, advisable, convenient or incidental to carrying out the foregoing purposes to the extent consistent with applicable laws (including entering into agreements, opening bank accounts, making filings, applications and reports, consenting to service of process, appointing an attorney to receive service of process and executing any other papers and instruments which may be necessary, convenient or incidental thereto).

SECTION 2.04. *Principal Place of Business*. For purposes of the Act, the principal place of business of the Partnership shall be located in New York, New York or at such other place as may hereafter be designated from time to time by the General Partner. The Partnership, committee and officer meetings shall take place at the Partnership s principal place of business unless decided otherwise for any particular meeting.

The Partnership may qualify to transact business in such other states and under such assumed business names (for which all applicable assumed business name certificates or filings shall be made) as the General Partner shall determine. Each Partner shall execute, acknowledge, swear to and deliver all certificates or other documents necessary or appropriate to qualify, continue and terminate the Partnership as a foreign limited partnership in such jurisdictions in which the Partnership may conduct or cease to conduct business, as applicable.

SECTION 2.05. *Registered Agent and Office*. The registered agent for service of process is, and the mailing address of the registered office of the Partnership in the State of Delaware is in care of, The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware. At any time, the Partnership may designate another registered agent and/or registered office.

SECTION 2.06. *Authorized Persons*. The execution and causing to be filed of the Certificate of Limited Partnership by the applicable authorized Persons on behalf of the General Partner are hereby specifically ratified, adopted and confirmed. The officers of the Partnership and the General Partner are hereby designated as authorized Persons to act in connection with executing and causing to be filed, when approved by the appropriate governing body or bodies hereunder, any certificates required or permitted to be filed with the Secretary of State of the State of Delaware and any certificates (and any amendments and/or restatements thereof) necessary for the Partnership to file in any jurisdiction in which the Partnership is required to make a filing.

SECTION 2.07. *Term*. The term of the Partnership began on the date the Certificate of Limited Partnership of the Partnership became effective, and the Partnership shall have perpetual existence unless sooner dissolved as provided in Article IX.

SECTION 2.08. *Treatment as Partnership*. Except as otherwise required pursuant to a determination within the meaning of Section 1313(a)(1) of the Code, the parties shall treat the Partnership as a partnership for United States federal income tax purposes and agree not to take any action or fail to take any action which action or inaction would be inconsistent with such treatment.

SECTION 2.09. *Compliance with Law; Offset Rights*. (a) The Partnership shall use its best efforts to comply with any and all governmental requirements applicable to it, including the making of any and all necessary or advisable governmental registrations.

Table of Contents

(b) Each Founding/Working Partner and each REU Partner agrees to use his, her or its best efforts to comply with any and all governmental requirements applicable to the Partnership and the Affiliated Entities. Each Founding/Working Partner and each REU Partner agrees to indemnify the Partnership and the Affiliated Entities against any loss, claim, damage or cost, including attorneys fees and expenses resulting from a failure to comply with any such requirement occasioned by such Partner s willful misconduct or gross negligence.

(c) Upon a breach of this Agreement by, or the Termination or Bankruptcy of, a Founding/Working Partner or an REU Partner that is subject to the Partner Obligations, or in the event that any such Founding/Working Partner or REU Partner, as the case may be, owes any amount to the Partnership or to any Affiliated Entity or fails to pay any amount to any other Person with respect to which amount the Partnership or any Affiliated Entity is a guarantor or surety or is similarly liable (in each case whether or not such amount is then due and payable), the Partnership shall have the right to set off the amount that such Partner owes to the Partnership or any Affiliated Entity or any such other Person under any agreement or otherwise and the amount of any cost or expense incurred or projected to be incurred by the Partnership in connection with such breach, such Termination or Bankruptcy or such indebtedness (including attorneys fees and expenses and any diminution in value of any Partnership assets and including in each case both monetary obligations and the fair market value of any non-cash item and amounts not yet due or incurred) against any amounts that it owes to such Partner under this Agreement or otherwise, or to reduce the Capital Account, the Base Amount and/or the distributions (quarterly or otherwise) of such Partner by any such amount.

ARTICLE III

MANAGEMENT

SECTION 3.01. *Management by the General Partner*. (a) Subject to the terms and provisions of this Agreement, the management and control of the business and affairs of the Partnership shall be vested solely in, and directed and exercised solely by, the General Partner. In furtherance of the activities of the Partnership, subject to the terms and provisions of this Agreement, the General Partner shall have all rights and powers, statutory or otherwise, possessed by general partners of limited partnerships under the laws of the State of Delaware.

(b) Except as otherwise expressly provided herein, the General Partner has full and exclusive power and authority to do, on behalf of the Partnership, all things that are deemed necessary, appropriate or desirable by the General Partner to conduct, direct and manage the business and other affairs of the Partnership and is authorized and empowered, on behalf and in the name of the Partnership, to carry out and implement, directly or through such agents as the General Partner may appoint, such actions and execute such documents as the General Partner may deem necessary or advisable, or as may be incidental to or necessary for the conduct of the business of the Partnership. Without limiting the foregoing, and notwithstanding other provisions contained in this Agreement, the General Partner shall have the authority to waive the application of any provision of this Agreement with respect to a Founding/Working Partner or REU Partner or all or a portion of a Founding/Working Partner s or REU Partner s Units; *provided* that no waiver shall be enforceable as against the General Partner and the Partnership unless in writing and signed by the General Partner. Unless expressly otherwise provided in this Agreement, all determinations, judgments and/or actions, that may be made or taken, or not made or not taken, with respect to the Founding/Working Partners or the REU Partners by the General Partner in its discretion pursuant to or in connection with this Agreement, shall be in the sole and absolute discretion of the General Partner. All determinations and judgments made by the General Partner with respect to the Founding/Working Partners or the REU Partners, as the case may be, in good faith and not in violation of the terms of the Agreement shall be conclusive and binding on all Founding/Working Partners or the REU Partners, as the case may be.

(c) The General Partner agrees to use its best efforts to meet all requirements of the Code and currently applicable regulations, rulings and other procedures of the Internal Revenue Service to ensure that the Partnership will be classified for United States federal income tax purposes as a partnership.

Table of Contents

(d) The General Partner may appoint officers, managers or agents of the Partnership and may delegate to such officers, managers or agents all or part of the powers, authorities, duties or responsibilities possessed by or imposed on the General Partner pursuant to this Agreement (without limitation on the General Partner s ability to exercise such powers, authorities or responsibilities directly at any time); *provided* that, notwithstanding anything herein or in any other agreement to the contrary, the General Partner may remove any such officer, manager or agent, and may revoke any or all such powers, authorities and responsibilities so delegated to any such person, in each case at any time with or without cause. The officers of the Partnership shall consist of such positions and titles that the General Partner may in its discretion designate or create, including a Chairman, a Chief Executive Officer, a President, a Chief Financial Officer, one or more Vice Presidents, a Treasurer, one or more Assistant Treasurers, a Secretary or one or more Assistant Secretaries. A single person may hold more than one office. Each officer shall hold office until his successor is chosen, or until his death, resignation or removal from office.

Each of such officers shall have such powers and duties with respect to the business and other affairs of the Partnership, and shall be subject to such restrictions and limitations, as are prescribed from time to time by the General Partner; *provided*, *however*, that each officer shall at all times be subject to the direction and control of the General Partner in the performance of such powers and duties.

(e) Notwithstanding anything to the contrary herein, without the prior written consent of Cantor, the General Partner shall not take any action that may adversely affect Cantor s Purchase Rights (as defined in the Separation Agreement) in Section 4.11 of the Separation Agreement.

SECTION 3.02. *Role and Voting Rights of Limited Partners; Authority of Partners*. (a) *Limitation on Role of Limited Partners*. No Limited Partner shall have any right of control or management power over the business or other affairs of the Partnership as a result of its status as a Limited Partner except as otherwise provided in this Agreement. No Limited Partner shall participate in the control of the Partnership s business in any manner that would, under the Act, subject such Limited Partner to any liability beyond those liabilities expressly contemplated hereunder, including holding himself, herself or itself out to third parties as a general partner of the Partnership; *provided* that any Limited Partner may be an employee of the Partnership or any of its Affiliates and perform such duties and do all such acts required or appropriate in such role, and no such performance or acts shall subject such Limited Partner to any liability beyond those liabilities expressly contemplated hereunder. Without limiting the generality of the foregoing, in accordance with, and to the fullest extent permitted by the Act (including Section 17-303 thereof), Limited Partners (directly or through an Affiliate) (i) may consult with and advise the General Partner or any other Person (including, if applicable, the general partner of the General Partner) with respect to any matter, including the business of the Partnership, (ii) may, or may cause the General Partner or any other Person (including, if applicable, the general partner of the General Partner) to, take or to refrain from taking any action, including by proposing, approving, consenting or disapproving, by voting or otherwise, with respect to any matter, including the business of the Partnership, (iii) may transact business with the General Partner (including, if applicable, the general partner of the General Partner) or the Partnership, and (iv) may be an officer, director, partner or stockholder of the General Partner (including, if applicable, the general partner of the General Partner) or have its Representatives serve as officers or directors of the General Partner (including, if applicable, of the general partner of the General Partner) without incurring additional liabilities to third parties.

(b) *No Limited Partner Voting Rights*. To the fullest extent permitted by Section 17-302(f) of the Act, the Limited Partners shall not have any voting rights under the Act, this Agreement or otherwise, and shall not be entitled to consent to, approve or authorize any actions by the Partnership or the General Partner, except in each case as otherwise specifically provided in this Agreement.

(c) *Authority of Partners*. Except as set forth herein with respect to the General Partner, no Limited Partner shall have any power or authority, in such Partner s capacity as a Limited Partner, to act for or bind the Partnership except to the extent that such Limited Partner is so authorized in writing prior thereto by the General Partner. Without limiting the generality of the foregoing, except as set forth herein with respect to

Table of Contents

the General Partner, no Limited Partner, as such, shall, except as so authorized, have any power or authority to incur any liability or execute any instrument, agreement or other document for or on behalf of the Partnership, whether in the Partnership s name or otherwise. Persons dealing with the Partnership are entitled to rely conclusively upon the power and authority of the General Partner. Each Limited Partner hereby agrees that, except to the extent provided in this Agreement and except to the extent that such Limited Partner shall be the General Partner, it will not participate in the management or control of the business and other affairs of the Partnership, will not transact any business for Partnership and will not attempt to act for or bind the Partnership.

(d) *Consent Rights*. Notwithstanding anything to the contrary herein, the General Partner shall not take any of the following actions without the written consent of a Majority in Interest:

(i) decreasing the amount distributed to Partners pursuant to Article VI or Section 12.03 with respect to any fiscal quarter or other period;

(ii) amending this Agreement pursuant to Section 13.01, or directing the Partnership in its capacity as the U.S. Opco General Partner and/or Global Opco General Partner, as the case may be, to amend or consent to an amendment of the U.S. Opco Limited Partnership Agreement and/or Global Opco Limited Partnership Agreement, as the case may be;

(iii) taking any other action, or directing the Partnership in its capacity as the U.S. Opco General Partner and/or Global Opco General Partner, as the case may be, to take any other action, that may adversely affect any member of the Cantor Group s exercise of its rights under Article XII or its right to exchange certain Exchange Right Units, together with Limited Partnership Interests and related Capital for shares of BGC Partners Common Stock under Article VIII; and/or

(iv) Transferring any U.S. Opco Units or Global Opco Units beneficially owned, directly or indirectly, by the Partnership or its Subsidiaries.

(e) *Founding/Working Partners*. Each of the Founding/Working Partners shall have the rights and obligations set forth in this Agreement, including Article XII, and each of the Founding/Working Partners shall remain a Founding/Working Partner until he, she or it ceases to be a Limited Partner pursuant to this Agreement.

(f) *REU Partners*. Each of the REU Partners shall have the rights and obligations set forth in this Agreement, including Article XII, and each of the REU Partners shall remain an REU Partner until he, she or it ceases to be a Limited Partner pursuant to this Agreement.

SECTION 3.03. *Partner Obligations*. (a) Each Founding/Working Partner and each REU Partner agrees that, in addition to any other obligations that he, she or it may have under this Agreement, he, she or it shall have a duty of loyalty to the Partnership and further agrees during the Restricted Period (or, in the case of (i) below, the Restricted Competition Period, or in the case of (ii) below, the Restricted Solicitation Period) not to, either directly or indirectly (including by or through an Affiliate) (collectively, clauses (i) through (vi), the *Partner Obligations*):

(i) engage in any activity of the nature set forth in clauses (B) through (E) of the definition of Competitive Activity or take any action that results directly or indirectly in revenues or other benefit for that Founding/Working Partner or REU Partner, as the case may be, or any third party that is or could be considered to be engaged in any activity of the nature set forth in clauses (B) through (E) of the definition of Competitive Activity, except as otherwise agreed to in writing by the General Partner, in its sole and absolute discretion;

(ii) engage in any activity of the nature set forth in clause (A) of the definition of Competitive Activity;

(iii) breach the Founding/Working Partner s or REU Partner s, as the case may be, duty of loyalty to the Partnership;

Table of Contents

(iv) make or participate in the making of (including through the Founding/Working Partner s or REU Partner, as the case may be, or any of its Affiliates respective Representatives) any comments to the media (print, broadcast, electronic or otherwise) that are disparaging regarding (A) BGC Partners, any of the Affiliated Entities or any of their Affiliates, or (B) the senior executive officers of BGC Partners, any Affiliated Entity, or any of their Affiliates, or are otherwise contrary to the interests of BGC Partners, any Affiliated Entity or any of their Affiliates, as determined by the General Partner in its sole and absolute discretion;

(v) except as otherwise permitted in Section 13.15, take advantage of, or provide another person with the opportunity to take advantage of, a corporate opportunity (as such term would apply to the Partnership if it were a corporation) including opportunities related to intellectual property, which for this purpose shall require granting BGC Partners a right of first refusal for BGC Partners to acquire any assets, stock or other ownership interest in a business being sold by any Partner or Affiliate of such Founding/Working Partner or REU Partner, as the case may be, if an investment in such business would constitute a corporate opportunity (as such term would apply to the Partnership if it were a corporation), that has not been presented to and rejected by BGC Partners, or that BGC Partners rejects but reserves for possible further action by BGC Partners in writing, unless otherwise consented to by the General Partner in writing in its sole and absolute discretion; or

(vi) otherwise take any action to harm, that harms, or that reasonably could be expected to harm BGC Partners, any of the Affiliated Entities or any of their Affiliates, or any Affiliated Entity, including, without limitation, any breach of the provisions of Section 13.06 hereof.

The determination of whether a Founding/Working Partner or REU Partner has breached its Partner Obligations will be made in good faith by the General Partner in its sole and absolute discretion, which determination will be final and binding.

(b) If a Founding/Working Partner or REU Partner breaches his, her or its Partner Obligations as determined by the General Partner in its sole and absolute discretion, then, in addition to any other rights or remedies that the General Partner may have, and unless otherwise determined by the General Partner in its sole and absolute discretion, (i) upon and for each and/or any Partnership fiscal quarter (as determined in accordance with the customary business practices of the Partnership) during any portion of which such breach has occurred or is continuing, the Founding/Working Partner or REU Partner, as the case may be, shall not be allocated any Partnership income for such fiscal quarter, and shall not receive any Partnership distributions for such fiscal quarter, that the Founding/Working Partner or REU Partner, as the case may be, otherwise would be entitled to receive, and, if any such allocations or distributions are made after the breach occurs, the Founding/Working Partner s or REU Partner s, as the case may be, right to future allocations and distributions (including for periods after the breach has ceased and including redemption or similar payments) shall be offset accordingly; and (ii) if there shall be two or more breaches of such Partner Obligations, in the sole and absolute discretion of the General Partner, such Founding/Working Partner s or REU Partner s, as the case may be, Units shall be redeemed for their Base Amount, which shall be zero (0) dollars, and the Founding/Working Partner or REU Partner, as the case may be, shall have no right to receive any consideration therefore or any further distributions, including any Additional Amounts, or any other distributions or payments of cash, stock or property, to which the Founding/Working Partner or REU Partner, as the case may be, otherwise might be entitled. The General Partner, in its sole and absolute discretion, may determine not to apply some or all of the remedies for a breach of the Partner Obligations described in this Section 3.03(b).

(c) Without limiting any of the foregoing, for all purposes of this Agreement, any Founding/Working Partner or REU Partner that breaches any Partner Obligation shall be subject to all of the consequences (including the consequences provided for in Sections 12.02 and 12.03 applicable to a Founding/Working Partner or REU Partner, as the case may be, that engages in a Competitive Activity).

(d) Any Founding/Working Partner or REU Partner that breaches his, her or its Partner Obligations shall indemnify the Partnership for and pay any resulting attorneys fees and expenses of the Partnership, as well as any and all damages resulting from such breach.

Table of Contents

(e) Notwithstanding anything to the contrary, and unless Cantor shall determine otherwise, none of the obligations, limitations, restrictions or other provisions set forth in Sections 3.03(a), 3.03(b), 3.03(c) or 3.03(d) shall apply to any Founding/Working Partner or REU Partner that is also a Cantor Company or any of its Affiliates or any partner or member of a Cantor Company or any of its Affiliates.

ARTICLE IV

PARTNERS; CLASSES OF PARTNERSHIP INTERESTS

SECTION 4.01. *Partners*. The Partnership shall have (a) a General Partner; (b) one or more Regular Limited Partners (including, for the avoidance of doubt, the Exchangeable Limited Partners and the Special Voting Limited Partner); (c) one or more Founding/Working Partners; and (d) one or more REU Partners. *Schedule 4.01* sets forth the name and address of the Partners. *Schedule 4.01* shall be amended pursuant to Section 1.03 to reflect any change in the identity or address of the Partners in accordance with this Agreement. Each Person admitted to the Partnership as a Partner pursuant to this Agreement shall be a partner of the Partnership until such Person ceases to be a Partner in accordance with the provisions of this Agreement.

SECTION 4.02. *Interests*. (a) *Generally*. (i) *Classes of Interests*. Interests in the Partnership shall be divided into two classes: (A) a General Partnership Interest and (B) Limited Partnership Interests (including, for the avoidance of doubt, the Regular Limited Partnership Interests, the Exchangeable Limited Partnership Interests, the Special Voting Limited Partnership Interest, the Founding Partner Interests, the REU Interests and the Working Partner Interests (which shall not constitute separate classes or groups of partnership interests within the meaning of the Act)). The General Partnership Interest and the Limited Partnership Interests shall consist of, and be issued as, Units and Capital (with all of the Units associated with the Exchangeable Limited Partnership Interests designated as Exchangeable Limited Partner Units; with all of the Units associated with the Founding Partner Interests designated as Founding Partner Units; with all of the Units associated with the REU Interests designated as REUs; with all of the Units associated with the Working Partner Interests designated as Working Partner Units; and with all of the Units associated with the Special Voting Limited Partnership Interest designated as the Special Voting Partnership Unit). The aggregate number of authorized Units is 600,000,000. The aggregate number of authorized Units shall not be changed, modified or adjusted from that set forth in the immediately preceding sentence; *provided* that, in the event that the total number of authorized Units of U.S. Opco under the U.S. Opco Limited Partnership Agreement shall be increased or decreased after the date of this Agreement, then the total number of authorized Units shall be correspondingly increased or decreased by the same number by the General Partner without any act, vote or approval of any other Person. Any Units repurchased by or otherwise transferred to the Partnership or otherwise forfeited or cancelled shall be cancelled and thereafter deemed to be authorized but unissued, and may be subsequently issued as Units for all purposes hereunder in accordance with this Agreement.

(ii) *Issuances of Additional Units*. Any authorized but unissued Units may be issued:

(1) pursuant to the Contribution and *Schedule 2.03* of the Separation Agreement;

(2) to members of the Cantor Group in connection with an investment in the Partnership by the members of the Cantor Group as provided in Section 4.11 of the Separation Agreement;

(3) with respect to Founding/Working Partner Units, to an Eligible Recipient, in each case as directed by the Exchangeable Limited Partners (by affirmative vote of a Majority in Interest);

(4) as otherwise agreed by each of the General Partner and the Exchangeable Limited Partners (by affirmative vote of a Majority in Interest);

(5) pursuant to the Participation Plan or in connection with the Merger;

(6) to any Founding/Working Partner or REU Partner pursuant to Section 5.01(c); and

Table of Contents

(7) to any Partner in connection with a conversion of an issued Unit and Interest into a different class or type of Unit and Interest in accordance with this Agreement;

provided that each Person to be issued additional Units pursuant to clause (1), (2), (3), (4) or (5) of this sentence shall, as a condition to such issuance, execute and deliver to the Partnership an agreement in which such Person agrees to be admitted as a Partner with respect to such Units and bound by this Agreement and any other agreements, documents or instruments specified by the General Partner; *provided*, *however*, that if such Person (A) is at the time of such issuance a Partner of the applicable class of Interests being issued or (B) has previously entered into an agreement pursuant to which such Person shall have agreed to become a Partner and be bound by this Agreement with respect to the applicable class of Interests being issued (which agreement is in effect at the time of such issuance), such Person shall not be required to enter into any such agreements unless otherwise determined by the General Partner. Upon any such issuance, any such Person not already a Partner shall be admitted as a limited partner with respect to the issued Interests.

(b) *General Partnership Interest*. The Partnership shall have one General Partnership Interest. The Unit issued to the General Partner in respect of such Partner s General Partnership Interest is set forth on *Schedule 4.02*. *Schedule 4.02* shall be amended pursuant to Section 1.03 to reflect any change in the number or the issuance or allocation of the Unit in respect of such Partner s General Partnership Interest in accordance with this Agreement.

(c) *Regular Limited Partnership Interests*. (i) The Partnership may have one or more Regular Limited Partnership Interests. The number of Units issued to each Regular Limited Partner in respect of such Partner s Regular Limited Partnership Interest is set forth on *Schedule 4.02*. *Schedule 4.02* shall be amended pursuant to Section 1.03 to reflect any change in the number or the issuance or allocation of the Units in respect of such Partner s Regular Limited Partnership Interest in accordance with this Agreement.

(ii) The Partnership shall have one Regular Limited Partnership Interest designated as the Special Voting Limited Partnership Interest, as provided in Section 4.03(b). There shall only be one (1) Unit associated with the Special Voting Limited Partnership Interest.

(d) *Exchangeable Limited Partnership Interests*. The Partnership may have one or more Regular Limited Partnership Interests designated as Exchangeable Limited Partnership Interests. The number of Exchangeable Limited Partner Units issued to each Exchangeable Limited Partner in respect of such Partner s Exchangeable Limited Partnership Interest is set forth on *Schedule 4.02*. *Schedule 4.02* shall be amended pursuant to Section 1.03 to reflect any change in the number or the issuance or allocation of the Exchangeable Limited Partner Units in respect of such Partner s Exchangeable Limited Partnership Interest in accordance with this Agreement.

(e) *Founding Partners*. The Partnership may have one or more Founding Partner Interests. The Founding Partner Interests shall be sub-divided into six classes: (A) Grant Units, (B) Matching Grant Units, (C) High Distribution Units, (D) High Distribution II Units, (E) High Distribution III Units, and (F) High Distribution IV Units. Each class shall be governed by the terms and conditions of this Agreement, including Article XII. The number and class of Founding Partner Units Transferred or issued to each Founding Partner in respect of such Founding Partner Units is set forth on *Schedule 4.02*. *Schedule 4.02* shall be amended pursuant to Section 1.03 to reflect any change in the number or the issuance or allocation of the Founding Partner Units in respect of such Partner s Founding Partner Interest in accordance with this Agreement.

(f) *Working Partners*. The Partnership may have one or more Working Partner Interests. The Working Partner Interests shall be sub-divided into six classes: (A) Grant Units, (B) Matching Grant Units, (C) High Distribution Units, (D) High Distribution II Units, (E) High Distribution III Units, and (F) High Distribution IV Units. Each class shall be governed by the terms and conditions of this Agreement, including Article XII. The number and class of Working Partner Units Transferred or issued to each Working Partner in respect of such Working Partner Units is set forth on *Schedule 4.02*. *Schedule 4.02* shall be amended pursuant to Section 1.03 to reflect any change in the number or the issuance or allocation of the Working Partner Units in respect of such Partner s Working Partner Interest in accordance with this Agreement.

Table of Contents

(g) *REU Partners*. The Partnership may have one or more REU Interests. Each REU Interests shall be governed by the terms and conditions of this Agreement, including Article XII, and the terms and conditions of the grant of such REU Interest, which terms and conditions shall be determined by the General Partner in its sole discretion. The number and class of REUs Transferred or issued to each REU Partner in respect of such REUs is set forth on *Schedule 4.02*. *Schedule 4.02* shall be amended pursuant to Section 1.03 to reflect any change in the number or the issuance or allocation of the REUs in respect of such Partner s REU Interest in accordance with this Agreement.

(h) *No Additional Classes of Interests*. There shall be no additional classes of partnership interests in the Partnership.

SECTION 4.03. *Admission and Withdrawal of Partners*. (a) *General Partner*. (i) The General Partner is BGC GP, LLC. On the date of this Agreement, BGC GP LLC shall have the General Partnership Interest, which shall have the Units and the Capital set forth on *Schedule 4.02* and *Schedule 5.01*.

(ii) The admission of a Transferee as a General Partner, and resignation or withdrawal of any General Partner, shall be governed by Section 7.02.

(iii) Effective immediately upon the Transfer of the General Partner s entire General Partnership Interest as provided in Section 7.02(f), such Partner shall cease to have any interest in the profits, losses, assets, properties or capital of the Partnership with respect to such General Partnership Interest and shall cease to be the General Partner.

(b) *Regular Limited Partners*. (i) The initial Limited Partners are BGC GP LLC, Cantor and BGC Partners, and the initial Special Voting Limited Partner is BGC GP LLC. On the date of this Agreement, immediately following the Separation, the Limited Partners shall have the Limited Partnership Interests (including, for the avoidance of doubt, the Special Voting Limited Partnership Interest), which shall have the Units (including those designated as Exchangeable Limited Partnership Units) and the Capital set forth on *Schedule 4.02* and *Schedule 5.01*, respectively.

(ii) The admission of a Transferee as a Regular Limited Partner pursuant to any Transfer permitted by Section 7.02(a), 7.02(b), 7.02(c), or 7.02(d) as applicable, shall be governed by Section 7.02, and the admission of a Person as a Regular Limited Partner in connection with the issuance of additional Regular Limited Partnership Interests and Units pursuant to Section 4.02(a)(ii) shall be governed by such applicable Section.

(iii) Effective immediately upon the Transfer of a Regular Limited Partner s entire Regular Limited Partnership Interest as provided in Section 7.02(a), 7.02(b), 7.02(c) or 7.02(d), as applicable, such Partner shall cease to have any interest in the profits, losses, assets, properties or capital of the Partnership with respect to such Regular Limited Partnership Interest and shall cease to be a Regular Limited Partner.

(c) *Founding Partners*. (i) On the date of this Agreement, immediately following the Separation and pursuant to the Cantor Redemption, the Founding Partners shall receive the Founding Partner Interests, which shall have the Units (including the class designation) and the Capital and Adjusted Capital Account set forth on *Schedule 4.02* and *Schedule 5.01*, respectively. Upon the Transfer of such Founding Partner Interests to the Founding Partners by Cantor, pursuant to the Cantor Redemption, the Founding Partners are hereby deemed automatically admitted as Limited Partners with respect to such Interests and bound by this Agreement.

(ii) Effective immediately upon the Transfer of the Founding Partner s entire Founding Partner Interest as provided in Section 7.02(c) or Article XII, as applicable, such Partner shall cease to have any interest in the profits, losses, assets, properties or capital of the Partnership with respect to such Founding Partner Interest, and shall cease to be a Founding Partner.

(iii) Any Founding Partner Interest Transferred to any Cantor Company pursuant to a right of first refusal as set forth in Section 12.02 or 12.03 shall cause such Founding Partner Interest and related

Table of Contents

Units (or portion thereof) to automatically be designated as an Exchangeable Limited Partnership Interest and the related Units (or portion thereof) shall automatically be designated as Exchangeable Limited Partnership Units, and the Cantor Company acquiring such Interest shall have all rights and obligations of a holder of Exchangeable Limited Partnership Interests with respect to such Interest.

(d) *Working Partners*. (i) On the date of this Agreement, immediately following the Separation, there shall be no Working Partners.

(ii) The admission of a Person as a Working Partner in accordance with the issuance of additional Working Partner Units shall be governed by Section 4.02 and Article XII.

(iii) Effective immediately upon the Transfer of the Working Partner s entire Working Partner Interest as provided in Section 7.02(d) or Article XII, as applicable, such Partner shall cease to have any interest in the profits, losses, assets, properties or capital of the Partnership with respect to such Working Partner Interest, and shall cease to be a Working Partner.

(e) *REU Partners*. (i) On the date of this Agreement, concurrently with the Merger, the REU Partners shall receive the REU Interests, which shall have the Units set forth on *Schedule 4.02* and *Schedule 5.01*, respectively, and shall be admitted as limited partners with respect to such Interests and bound by this Agreement. Upon the issuance of such REU Interests to the REU Partners, such REU Partners shall be deemed automatically admitted as Limited Partners with respect to such Interests and bound by this Agreement. Each REU Interests shall initially have zero (0) dollars in Capital. Each grant of an REU Interest shall set forth an amount (the *REU Post-Termination Amount*), potentially payable to the holder of such REU Interest following the redemption of such REU Interest in accordance with Section 12.03(c), as well as a vesting schedule setting forth the portion of the REU Post-Termination Amount that shall become payable in such circumstances and the terms and conditions of such vesting; *provided* that unless otherwise specified, the REU Post-Termination Amount shall vest over three (3) years on a pro rata basis.

(ii) The admission of a Person as an REU Partner after the date of this Agreement in accordance with the issuance of additional REUs shall be governed by Section 4.02 and Article XII and the terms and conditions of the grant of such additional REUs, which shall be determined by the General Partner in its sole discretion.

(iii) Effective immediately upon the Transfer of the REU Partner s entire REU Partner Interest as provided in Section 7.02(f) or Article XII, as applicable, or upon an REU Redemption as provided in Section 12.03(c)(iii), such Partner shall cease to have any interest in the profits, losses, assets, properties or capital of the Partnership with respect to such REU Partner Interest, and shall cease to be an REU Partner.

(f) *No Additional Partners*. No additional Partners shall be admitted to the Partnership except in accordance with this Article IV; *provided* that additional Working Partners and additional REU Partners shall be admitted in accordance with this Article IV or Article XII.

SECTION 4.04. *Liability to Third Parties; Capital Account Deficits*. (a) Except as may otherwise be expressly provided by the Act, the General Partner shall have unlimited personal liability for the satisfaction and discharge of all debts, liabilities, contracts and other obligations of the Partnership. The General Partner shall not be personally liable for the return of any portion of the capital contribution of any Limited Partner, the return of which shall be made solely from the Partnership s assets.

(b) Except as may otherwise be expressly provided by the Act or this Agreement, no Limited Partner shall be liable for the debts, liabilities, contracts or other obligations of the Partnership. Each Limited Partner shall be liable only to make its capital contributions as provided in this Agreement or the Separation Agreement or as otherwise agreed by such Limited Partner and the Partnership in writing after the date of this Agreement and shall not be required, after its capital contribution shall have been paid, to make any further capital contribution to the Partnership or to lend any funds to the Partnership except as otherwise expressly provided in this Agreement or the Separation Agreement or as otherwise agreed by such Limited

Partner and the Partnership in writing after the date of this Agreement. No Limited Partner shall be required to repay the Partnership, any Partner or any creditor of the Partnership any negative balance in such Limited Partner s Capital Account, except as provided in Section 12.01(b)(x).

(c) No Partner shall be liable to make up any deficit in its Capital Account; *provided* that nothing in this Section 4.04(c) shall relieve a Partner of any liability it may otherwise have, either pursuant to the terms of this Agreement or pursuant to the terms of any agreement to which the Partnership or such Partner may be a party (including Section 12.01(b)(x)).

SECTION 4.05. *Classes*. Any Person may own one or more classes of Interests. Except as otherwise specifically provided herein, the ownership of other classes of Interests shall not affect the rights or obligations of a Partner with respect to other classes of Interests. As used in this Agreement, the General Partner, the Limited Partners (including the Special Voting Limited Partner, the Exchangeable Limited Partners, the Founding Partners, the REU Partners and the Working Partners) shall be deemed to be separate Partners even if any Partner holds more than one class of Interest. References to a certain class of Interest with respect to any Partner shall refer solely to that class of Interest of such Partner and not to any other class of Interest, if any, held by such Partner.

SECTION 4.06. *Certificates*. The Partnership may, in the discretion of the General Partner, issue any or all Units in certificated form, which certificates shall be held by the Partnership as custodian for the applicable Partners. The form of any such certificates shall be approved by the General Partner and include the legend required by Section 7.06. If certificates are issued, a transfer of Units will require delivery of an endorsed certificate.

SECTION 4.07. *Uniform Commercial Code Treatment of Units*. Each Unit in the Partnership shall constitute a security within the meaning of, and governed by, (i) Article 8 of the Uniform Commercial Code (including Section 8-102(a)(15) thereof) as in effect from time to time in the State of Delaware (6 *Del. C.* § 8-101, *et seq*.) (the *UCC*), and (ii) Article 8 of the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995. Notwithstanding any provision of this Agreement to the contrary, to the extent that any provision of this Agreement is inconsistent with any non-waivable provision of Article 8 of the UCC, such provision of Article 8 of the UCC shall control. The Partnership shall maintain books for the purpose of registering the Transfer of Units. Any Transfer of Units shall be effective as of the registration of the Transfer of such Units in the books and records of the Partnership.

SECTION 4.08. *Priority Among Partners*. No Partner shall be entitled to any priority or preference over any other Partner either as to return of capital contributions or as to profits, losses or distributions, except to the extent that this Agreement may be deemed to establish such a priority or preference.

ARTICLE V

CAPITAL AND ACCOUNTING MATTERS

SECTION 5.01. *Capital*. (a) *Capital Accounts*. There shall be established on the books and records of the Partnership a Capital Account for each Partner. *Schedule 5.01* sets forth the names and the Capital Account of the Partners as of the date of this Agreement. *Schedule 5.01* shall be amended pursuant to Section 1.03 to reflect any change in the identity or Capital Accounts in accordance with this Agreement.

(b) *Capital Contributions*. (i) On the date of this Agreement, contributions of assets, property and/or cash shall be made by or on behalf of the Partners listed on *Schedule 4.01* in connection with the Contribution, pursuant to the terms set forth in the Separation Agreement.

Table of Contents

(ii) In return for such initial contributions, Interests shall be issued or Transferred to the Partners as provided on *Schedule 5.01*.

(iii) The parties shall treat the contributions described in this Section 5.01(b) as contributions pursuant to Section 721 of the Code in which no gain or loss is recognized to any extent, except as otherwise required pursuant to a determination within the meaning of Section 1313(a)(1) of the Code.

(iv) Except as otherwise provided in Section 5.01(b)(i) or, with respect to the Founding/Working Partners or REU Partners, as the case may be, only, in Article XII, no capital contributions shall be required (A) unless otherwise determined by the General Partner and agreed to by the contributing Partner, or (B) unless otherwise determined by the General Partner in connection with the admission of a new Partner or the issuance of additional Interests to a Partner.

(v) The Partnership may invest or cause to be invested all amounts received by the Partnership as capital contributions in its sole and absolute discretion.

(c) *Additional Contributions*. Subject to Section 4.02(a)(ii) and Article XII, at any time and from time to time, subject to the prior written consent of the compensation committee of BGC Partners (or its designee), the Partnership may offer and grant additional Working Partner Units or REUs in the Partnership to existing or new Founding/Working Partners or REU Partners, in each case, at a price per Working Partner Unit or REU, as the case may be, determined by the General Partner in its sole and absolute discretion and for such other consideration or for no consideration determined by the General Partner in its sole and absolute discretion; *provided* that no offeree shall be obligated to accept such offer; *provided*, *further*, that solely for the purposes of this Section 5.01(c), the price per Working Partner Unit of a High Distribution II Unit or High Distribution III Unit shall be deemed to include the associated HDII Account or HDIII Account, respectively. Any payment for Working Partner Units or REUs purchased by a new or existing Partner pursuant to this Section 5.01(c) may be made, in the General Partner s sole and absolute discretion, in the form of Publicly Traded Shares, valued at the average of the closing prices of such shares (as reported by the Nasdaq Global Market or any other national securities exchange or quotation system on which such shares are then listed or quoted) during the 10-trading-day period immediately preceding each payment (or such other fair and reasonable pricing method as may be reasonably selected by the General Partner), or in the form of other property valued at its then-fair market value, as reasonably determined by the General Partner in its sole and absolute discretion. Any net proceeds for any such Working Partner Units or REUs purchased by a new or existing Partner pursuant to this Section 5.01(c) shall be contributed by the Partnership to U.S. Opco and Global Opco, as the case may be, in exchange for U.S. Opco Units and Global Opco Units from each of U.S. Opco and Global Opco, as the case may be, in an amount equal to the number of Working Partner Units or REUs, as the case may be, being so issued or Transferred, in accordance with the terms and conditions set forth in Section 4.11 of the Separation Agreement.

SECTION 5.02. *Withdrawals; Return on Capital*. No Partner shall be entitled to withdraw or otherwise receive any distributions in respect of any Interest (including the associated Units or Capital), except as provided in Section 6.01 or 9.03. The Partners shall not be entitled to any return on their Capital.

SECTION 5.03. *Maintenance of Capital Accounts*. As of the end of each Accounting Period, the balance in each Partner s Capital Account shall be adjusted by (a) increasing such balance by (i) such Partner s allocable share of each item of the Partnership s income and gain for such Accounting Period (allocated in accordance with Section 5.04(a)) and (ii) the amount of cash or the fair market value (or book value, if so agreed by the applicable Partner and the General Partner) of other property (determined in accordance with Section 5.05) contributed to the Partnership by such Partner in respect of such Partner s related Interest during such Accounting Period, net of liabilities assumed by the Partnership with respect to such other property, and (b) decreasing such balance by (i) the amount of cash or the fair market value (or book value, if so agreed by the applicable Partner and the General Partner) of other property (determined in accordance with Section 5.04) distributed to such Partner in respect of such class of Interest associated with such Capital Account pursuant to this Agreement, net of liabilities (if any) assumed by such Partner with respect to such other property, and (ii) such Partner s allocable

Table of Contents

share of each item of the Partnership s deduction and loss for such Accounting Period (allocated in accordance with Section 5.04(a)). The balances in each Partner s Capital Account may also be adjusted by the General Partner in its sole and absolute discretion and with the consent of a Majority in Interest at the time and in the manner permitted by the capital accounting rules of the Treasury Regulation Section 1.704-1(b)(2)(iv)(f). The foregoing and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulation Section 1.704-1(b), and shall be interpreted and applied in a manner consistent therewith.

SECTION 5.04. *Allocations and Tax Matters*. (a) *Book Allocations*. After giving effect to the allocations set forth in Section 2 of *Exhibit D* hereto and Section 6.01(d), for purposes of computing Capital Accounts and allocating any items of income, gain, loss or deduction thereto, with respect to each Accounting Period, all items of income, gain, loss or deduction of the Partnership shall be allocated among the Capital Accounts of the Partners in proportion to their Percentage Interest as of the end of such Accounting Period; *provided* that any and all items of income, gain, loss or deduction to the extent resulting from a Special Item will be allocated entirely to the Capital Accounts of the Limited Partnership Interests (other than the Special Voting Limited Partnership Interest), *pro rata* in proportion to the number of Units underlying such Interests or in other proportion as determined by a Majority in Interest (it being the intention that, in all cases, BGC Partners, as the holder of the Special Voting Limited Partner Interest or otherwise, shall not bear the benefits and burdens of the Special Item). For purposes of the foregoing, except as may be otherwise agreed by the General Partner and the holders of a Majority in Interest, items of income, gain, loss and deductions of the Partnership allocable to the Partners shall be calculated in the same manner in which such items are calculated for federal income tax purposes with the following adjustments: (i) items of gain, loss and deduction shall be computed based on the Book Values of the Partnership s assets rather than upon the assets adjusted bases for federal income tax purposes; (ii) the amount of any adjustment to the Book Value of any assets of the Partnership pursuant to Section 743 of the Code shall not be taken into account; (iii) any tax exempt income received by the Partnership shall be taken into account as an item of income; and (iv) any expenditure of the Partnership described in Section 705(a)(2)(B) of the Code and any expenditure considered to be an expenditure described in Section 705(a)(2)(B) of the Code pursuant to Treasury Regulations under Section 704(b) of the Code shall be treated as a deductible expense. The General Partner may, with the consent of a Majority in Interest, make such other adjustments to the calculation of items of income, gain, loss and deduction as it deems appropriate to more properly reflect the income or loss of the Partnership.

(b) *Tax Allocations*. Except as otherwise required under Section 704(c) of the Code and the Treasury Regulations promulgated thereunder, the Partnership shall cause each item of income, gain, loss or deduction recognized by the Partnership to be allocated among the Partners for U.S. federal, state and local income and, where relevant, non-U.S. tax purposes in the same manner that each such item is allocated to the Partners Capital Accounts or as otherwise provided herein. Allocations required by Section 704(c) of the Code shall be made using the traditional method described in Treasury Regulation Section 1.704-3(b).

SECTION 5.05. *General Partner Determinations*. All determinations, valuations and other matters of judgment required to be made for purposes of this Article V, allocations to Capital Accounts and accounting procedures and tax matters not expressly provided for by the terms of this Agreement, or for determining the value of any type or form of proceeds, contribution or distributions hereunder shall be made by the General Partner in good faith. In the event that an additional Partner is admitted to the Partnership and contributes property to the Partnership, or an existing Partner contributes additional property to the Partnership, pursuant to this Agreement, the value of such contributed property shall be the fair market value (or book value, if so agreed by the applicable Partner and the General Partner) of such property as reasonably determined by the General Partner.

SECTION 5.06. *Books and Accounts*. (a) The Partnership shall at all times keep or cause to be kept true and complete records and books of account, which records and books shall be maintained in accordance with U.S. generally accepted accounting principles. Such records and books of account shall be kept at the principal place

Table of Contents

of business of the Partnership by the General Partner. The Limited Partners shall have the right to gain access to all such records and books of account (including schedules thereto) for inspection and view (at such reasonable times as the General Partner shall determine) for any purpose reasonably related to their Interests. The Partnership s accounts shall be maintained in U.S. dollars.

(b) The Partnership s fiscal year shall begin on the first day of January and end on the thirty-first day of December of each year, or shall be such other period designated by the General Partner. At the end of each fiscal year, the Partnership s accounts shall be prepared, presented to the General Partner and submitted to the Partnership s auditors for examination.

(c) The Partnership s auditors shall be an independent accounting firm of international reputation to be appointed from time to time by the General Partner. The Partnership s auditors shall be entitled to receive promptly such information, accounts and explanations from the General Partner and each Partner that they deem reasonably necessary to carry out their duties. The Partners shall provide such financial, tax and other information to the Partnership as may be reasonably necessary and appropriate to carry out the purposes of the Partnership.

SECTION 5.07. *Tax Matters Partner*. The General Partner is hereby designated as the tax matters partner of the Partnership, in accordance with the Treasury Regulations promulgated pursuant to Section 6231 of the Code and any similar provisions under any other state or local or non-U.S. tax laws. The General Partner shall have the authority, in its sole and absolute discretion, to (a) make an election under Section 754 of the Code on behalf of the Partnership, and each Partner agrees to provide such information and documentation as the General Partner may reasonably request in connection with any such election, (b) determine the manner in which excess nonrecourse liabilities (within the meaning of Treasury Regulation Section 1.752-3(a)(3)) are allocated among the Partners and (c) make any other election or determination with respect to taxes (including with respect to depreciation, amortization and accounting methods).

SECTION 5.08. *Tax Information*. The Partnership shall use commercially reasonable efforts to prepare and mail as soon as reasonably practicable after the end of each taxable year of the Partnership, to each Partner (and each other Person that was such a Partner during such taxable year or its legal representatives), U.S. Internal Revenue Service Schedule K-1, Partner s Share of Income, Credits, Deductions, Etc., or any successor schedule or form, for such Person.

SECTION 5.09. *Withholding*. Notwithstanding anything herein to the contrary, the Partnership is authorized to withhold from distributions and allocations to the Partners, and to pay over to any federal, state, local or foreign governmental authority any amounts believed in good faith to be required to be so withheld pursuant to the Code or any provision of any other federal, state, local or foreign law and, for all purposes under this Agreement, shall treat such amounts (together with any amounts that are withheld from payments to the Partnership or any of its Subsidiaries attributable to a direct or indirect Partner of the Partnership) as distributed to those Partners with respect to which such amounts were withheld. If the Partnership is obligated to pay any amount to a taxing authority on behalf of (or in respect of an obligation of) a Partner (including, federal, state and local or other withholding taxes), then such Partner shall indemnify the Partnership in full for the entire amount of any Tax (but not any interest, penalties and expenses associated with such payment). If the Partnership elects to withhold or make any payment to any federal, state, local or foreign governmental authority in respect of a payment that otherwise would be made to any Founding/Working Partner or REU Partner, such Founding/Working Partner or REU Partner shall cooperate with the General Partner by providing such information or forms as are reasonably requested by the General Partner in connection with such withholding or the making of such payments. Each Founding/Working Partner or REU Partner who is an employee of the Partnership or of an Affiliated Entity (or whose stock or other beneficial interest is owned by such an employee) authorizes the Partnership to withhold additional amounts for payment on behalf of such Founding/Working Partner or REU Partner of federal, state and local income tax from the compensation paid to such Founding/Working Partner or REU Partner (or owner of stock or other beneficial interest of a corporate or other entity Founding/Working Partner or REU Partner).

Table of Contents

ARTICLE VI

DISTRIBUTIONS

SECTION 6.01. *Distributions in Respect of Partnership Interests*. (a) Subject to the remaining sentence of this Section 6.01(a), the Partnership shall distribute to each Partner from such Partner s Capital Account (i) on or prior to each Estimated Tax Due Date such (y) Partner s Estimated Proportionate Quarterly Tax Distribution for such fiscal quarter, *plus* (z) with respect to Partners who are members of the Cantor Group, the Founding/Working Partners and the REU Limited Partners, an amount (positive or negative) calculated using the methodology contemplated by the definition Estimated Proportionate Quarterly Tax Distribution (taking into account for this purpose items of income, gain, loss or deduction allocated in respect of any Special Item and disregarding all other items) for such fiscal quarter in respect of any items of income, gain, loss or deduction allocated in respect of any Special Item, and (ii) as promptly as practicable after the end of each fiscal quarter of the Partnership (but otherwise on such date and time as determined by the General Partner) an amount equal to all amounts allocated to such Partner s Capital Account with respect to such quarter (reduced by the amount of any prior distributions pursuant to this Section 6.01(a)), with such distribution to occur on such date and time as determined by the General Partner; *provided* that distributions pursuant to this clause (ii) shall be made to a Partner only to the extent of the positive balance in such Partner s Capital Account unless otherwise determined by the General Partner; *provided*, *however*, that in each case appropriate adjustments shall be made to reflect any amounts treated as distributed pursuant to Section 5.09; *provided*, *further, however*, that with the prior written consent of the holders of a Majority in Interest, the Partnership may decrease the amount distributed from such Partners Capital Accounts; *provided*, *further*, that the Partnership shall not be obligated to make distributions in excess of its cash available for such distributions. Notwithstanding anything to the contrary set forth in this Section 6.01, if the Partnership is unable to make the distributions contemplated by the foregoing as a result of any Special Item, then the Partnership shall use reasonable best efforts to borrow such amounts as are necessary to make distributions that would have been received by the BGC Partners Group in the absence of any such Special Item and to make the Estimated Proportionate Quarterly Tax Distributions to the Cantor Group and to Founding/Working Partners, and the costs of any such costs borrowing shall be treated as a Special Item. No distributions shall be made by the Partnership except as expressly contemplated by Sections 6.01 and 9.03(a) and Article XII.

(b) In accordance with Article XI, the General Partner may determine to withhold from distributions pursuant to this Section 6.01 amounts reflecting an Extraordinary Income Item or an Extraordinary Expenditure with respect to Founding/Working Partner Interests or REU Interests.

(c) The General Partner, with the consent of a Majority in Interest, may direct the Partnership to distribute all or part of any amount that is otherwise distributable to a Founding/Working Partner or an REU Partner, as the case may be, under this Section 6.01 in the form of a distribution of Publicly Traded Shares, valued at the average of the closing prices of such shares, as reported by the national securities exchange or quotation system upon which such shares are then listed or quoted, during the 10-trading-day period immediately preceding the distribution (or such other fair and reasonable pricing method as may be selected by the General Partner), or in other property valued at its then-fair market value, as determined by the General Partner in its sole and absolute discretion. The distribution of Publicly Traded Shares or other property to a Partner pursuant to this Section 6.01(c) shall result in a reduction in such Partner s Capital Account and Adjusted Capital Account by an amount equal to the value of such distributed shares or property determined as provided in this Section 6.01(c). Any gain recognized or deemed recognized as a result of such distribution shall not affect any Adjusted Capital Account unless otherwise deemed appropriate by mutual agreement of the General Partner and a Majority in Interest, in their sole and absolute discretion.

(d) The General Partner, with the consent of a Majority in Interest, in its sole and absolute discretion, may direct the Partnership, upon a Founding/Working Partner s or REU Partner s death, retirement, withdrawal from the Partnership or other full or partial redemption of Units, to distribute to such Partner (or to his or her Personal Representative, as the case may be) a number of Publicly Traded Shares or an amount

Table of Contents

of other property that the General Partner determines is appropriate in light of the goodwill associated with such Partner and his, her or its Units, such Partner s length of service, responsibilities and contributions to the Partnership and/or other factors deemed to be relevant by the General Partner. Notwithstanding Sections 5.01 and 5.04, the distribution of Publicly Traded Shares or other property to a Founding/Working Partner or REU Partner, as the case may be, pursuant to this Section 6.01(d) shall result in a net reduction in such Partner s Capital Account and Adjusted Capital Account, unless otherwise determined by the General Partner in its sole and absolute discretion. To the extent necessary or appropriate to give effect to the intent of this provision, as determined by the General Partner in its sole and absolute discretion, the Partnership shall make a special allocation to the distributee Founding/Working Partner or REU Partner, as the case may be, of gain, if any, that arises on any such distribution of the Publicly Traded Shares or other property.

(e) Notwithstanding any other provision of this Agreement, no amount shall be distributed to any Founding/Working Partner or REU Partner in respect of income or gain allocable to such Founding/Working Partner or REU Partner pursuant to Section 2(d) of *Exhibit D* to this Agreement except to the extent the General Partner determines in its sole and absolute discretion that such a distribution is consistent with the intent of this Agreement.

SECTION 6.02. *Limitation on Distributions*. Notwithstanding any provision to the contrary contained in this Agreement, the Partnership and the General Partner, on behalf of the Partnership, shall not be required to make a distribution to a Partner on account of its interest in the Partnership if such distribution would violate the Act or any other applicable law.

ARTICLE VII

TRANSFERS OF INTERESTS

SECTION 7.01.*Transfers Generally Prohibited*. No Partner may Transfer or agree or otherwise commit to Transfer all or any portion of, or any of rights, title and interest in and to, its Interest, except as permitted by the terms and conditions set forth in this Article VII (and, with respect to the Founding/Working Partners and the REU Partners only, Article XII). The Schedules shall be revised pursuant to Section 1.03 from time to time to reflect any change in the Partners or Interests to reflect any Transfer permitted by this Article VII.

SECTION 7.02. *Permitted Transfers*. (a) *Regular Limited Partnership Interests*. No Regular Limited Partner (other than the Special Voting Limited Partner, which shall be governed by Section 7.02(b)) may Transfer or agree or otherwise commit to Transfer all or any portion of, or any right, title and interest in and to, its Regular Limited Partnership Interest (other than the Special Voting Limited Partnership Interest, which shall be governed by Section 7.02(b)), except any such Transfer (i) pursuant to Section 4.03(b)(i) in connection with the Contribution and the Separation or Section 4.03(b)(iv) or 8.01, (ii) if such Regular Limited Partner shall be a member of the Cantor Group, to any Person; or (iii) for which the General Partner and the Exchangeable Limited Partners (with such consent to require the affirmative vote of a Majority in Interest) shall have provided their respective prior written consent (which consent shall not be unreasonably withheld or delayed). With respect to any Exchangeable Limited Partnership Interest Transferred by a Cantor Company to another Person, Cantor may elect, prior to or at the time of such Transfer, either (1) that such Person shall receive such Interest in the form of an Exchangeable Limited Partnership Interest and that such Person shall thereafter be an Exchangeable Limited Partner for purposes of this Agreement so long as such Person continues to hold such Interest or (2) that such Person shall receive such Interest in the form of a Regular Limited Partnership Interest (other than an Exchangeable Limited Partnership Interest or a Special Voting Limited Partnership Interest), and that such Person shall not be an Exchangeable Limited Partner for purposes of this Agreement as a result of holding such Interest. For the avoidance of doubt, if Cantor shall not so elect, such Transferred Interest shall not be designated as an Exchangeable Limited Partnership Interest.

(b) *Special Voting Limited Partnership Interest*. The Special Voting Limited Partner may not Transfer or agree or otherwise commit to Transfer all or any portion of, or any right, title and interest in and to, its Special Voting Limited Partnership Interest, except any such Transfer (i) to a wholly owned Subsidiary of

Table of Contents

BGC Partners; *provided* that, in the event that such transferee shall cease to be a wholly owned Subsidiary of BGC Partners, the Special Voting Limited Partnership Interest shall automatically be Transferred to BGC Partners, without the requirement of any further action on the part of the Partnership, BGC Partners or any other Person; or (ii) pursuant to Section 4.03(b)(i) in connection with the Contribution and the Separation. Upon removal of any Special Voting Limited Partner, notwithstanding anything herein to the contrary, the Special Voting Limited Partnership Interest shall be transferred to the Person being admitted as the new Special Voting Limited Partner, simultaneously with admission and without the requirement of any action on the part of the Special Voting Limited Partner being removed or any other Person.

(c) *Founding Partner Interest*. No Founding Partner may Transfer or agree or otherwise commit to Transfer all or any portion of, or any right, title and interest in and to, its Founding Partner Interest, except any such Transfer (i) pursuant to a redemption or right of first refusal as set forth in Section 12.03; (ii) pursuant to Section 4.03(c)(i) in connection with the Contribution and the Separation or Section 4.03(c)(iii) or 8.01; (iii) to any Cantor Company; *provided* that in the event that such transferee shall cease to be a Cantor Company, such Founding Partner Interest shall automatically Transfer to Cantor; (iv) with the consent of a Majority in Interest, to any other Founding Partner; or (v) with the mutual consent of the General Partner and a Majority in Interest (which consent may be withheld for any reason or for no reason whatsoever), to any other Person.

(d) *Working Partner Interest*. No Working Partner may Transfer or agree or otherwise commit to Transfer all or any portion of, or any right, title and interest in and to, its Working Partner Interest, except any such Transfer (i) pursuant to a redemption as set forth in Section 12.03; (ii) pursuant to Section 4.03(d)(iii) or 8.01; (iii) to any Cantor Company; *provided* that in the event that such transferee shall cease to be a Cantor Group Company, such Working Partner Interest shall automatically Transfer to Cantor; or (iv) with the mutual consent of the General Partner and a Majority in Interest (which consent may be withheld for any reason or for no reason whatsoever), to any other Person.

(e) *General Partnership Interest*. The General Partner may not Transfer or agree or otherwise commit to Transfer all or any portion of, or any right, title and interest in and to, its General Partnership Interest, except any such Transfer (i) to a new General Partner in accordance with this Section; (ii) with the prior written consent (not to be unreasonably withheld or delayed) of the Special Voting Limited Partner, to any other Person; or (iii) pursuant to Section 4.03(a)(i) in connection with the Contribution and the Separation. Any General Partner may be removed at any time, with or without cause, by the Special Voting Limited Partner in its sole and absolute discretion, and the General Partner may resign from the Partnership for any reason or for no reason whatsoever; *provided*, *however*, that, as a condition to any such removal or resignation, (A) the Special Voting Limited Partner shall first appoint another Person as the new General Partner; (B) such Person shall be admitted to the Partnership as the new General Partner (upon the execution and delivery of an agreement to be bound by the terms of this Agreement and such other agreements, documents or instruments requested by the resigning General Partner); and (C) such resigning or removed General Partner shall Transfer its entire General Partnership Interest to the new General Partner. The admission of the new General Partner shall be deemed effective immediately prior to the effectiveness of the resignation of the resigning General Partner, and shall otherwise have the effects set forth in Section 4.03(a)(iii). Upon removal of any General Partner, notwithstanding anything herein to the contrary, the General Partnership Interest shall be transferred to the Person being admitted as the new General Partner, simultaneously with admission and without the requirement of any action on the part of the General Partner being removed or any other Person.

(f) *REU Interest*. No REU Partner may Transfer or agree or otherwise commit to Transfer all or any portion of, or any right, title and interest in and to, its REU Interest, except any such Transfer (i) pursuant to a redemption as set forth in Section 12.03; (ii) pursuant to Section 4.03(e)(i) concurrently with the Merger or Section 4.03(e)(iii) or 8.01; (iii) to any Cantor Company; *provided* that in the event that such transferee shall cease to be a Cantor Company, such REU Interest shall automatically Transfer to Cantor; or (iv) with the mutual consent of the General Partner and a Majority in Interest (which consent may be withheld for any reason or for no reason whatsoever), to any other Person.

Table of Contents

SECTION 7.03. *Admission as a Partner Upon Transfer*. Notwithstanding anything to the contrary set forth herein, a Transferee who has otherwise satisfied the requirements of Section 7.02 shall become a Partner, and shall be listed as a Regular Limited Partner, Exchangeable Limited Partner, Special Voting Limited Partner, Founding Partner, REU Partner, Working Partner or General Partner as applicable, on *Sc 4.01*, and shall be deemed to receive the Interest being Transferred, in each case only at such time as such Transferee executes and delivers to the Partnership an agreement in which the Transferee agrees to be admitted as a Partner and bound by this Agreement and any other agreements, documents or instruments specified by the General Partner and such agreements (when applicable) shall have been duly executed by the General Partner; *provided*, *however*, that if such Transferee (a) is at the time of such Transfer a Partner of the applicable class of Interests being Transferred, (b) receives Interests in the Cantor Redemption or (c) has previously entered into an agreement pursuant to which the Transferee shall have agreed to become a Partner and be bound by this Agreement (which agreement is in effect at the time of such Transfer), such Transferee shall not be required to enter into any such agreements unless otherwise determined by the General Partner; *provided*, *further*, that the Transfers, admissions to and withdrawals from the Partnership as Partners, contemplated by Sections 4.03(a)(i), 4.03(b)(i) or 4.03(c)(i) shall not require the execution or delivery of any further agreements or other documentation hereunder.

SECTION 7.04. *Transfer of Units and Capital with the Transfer of an Interest*. Notwithstanding anything herein to the contrary, each Partner who Transfers an Interest shall be deemed to have Transferred the entire Interest, including the associated Units and Capital of such Interest, or, if a portion of an Interest is being Transferred, each Partner who Transfers a portion of an Interest shall specify the number of Units being so Transferred and such Transfer shall include a proportionate amount of Capital with respect to such Interest, to the Transferee.

SECTION 7.05. *Encumbrances*. No Partner may charge or encumber its Interest or otherwise subject its Interest to a lien, pledge, security interest, right of first refusal, option or other similar limitation (an *Encumbrance*), except in each case for those created by this Agreement; *provided*, *however*, that, notwithstanding anything herein to the contrary, an Exchangeable Limited Partner may Encumber its Exchangeable Limited Partnership Interest in connection with any *bona fide* bank financing transaction.

SECTION 7.06. *Legend*. Each Partner agrees that any certificate issued to it to evidence its Interests shall have inscribed conspicuously on its front or back the following legend:

THE PARTNERSHIP INTEREST IN BGC HOLDINGS, L.P. REPRESENTED BY THIS CERTIFICATE (INCLUDING ASSOCIATED UNITS AND CAPITAL) HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE *SECURITIES ACT*), OR REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE OR FOREIGN JURISDICTION, AND THIS PARTNERSHIP INTEREST MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED, ENCUMBERED OR OTHERWISE DISPOSED OF, IN WHOLE OR IN PART, EXCEPT (A) EITHER (1) WHILE A REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE REGISTRATIONS AND QUALIFICATIONS ARE IN EFFECT OR (2) PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (INCLUDING, IF APPLICABLE, REGULATION S THEREUNDER) AND SUCH OTHER APPLICABLE LAWS AND (B) IF PERMITTED BY THE LIMITED PARTNERSHIP AGREEMENT OF BGC HOLDINGS, L.P., AS IT MAY BE AMENDED FROM TIME TO TIME, WHICH CONTAINS STRICT PROHIBITIONS ON TRANSFERS, SALES, ASSIGNMENTS, PLEDGES, HYPOTHECATIONS, ENCUMBRANCES OR OTHER DISPOSITIONS OF THIS PARTNERSHIP INTEREST OR ANY INTEREST THEREIN (INCLUDING ASSOCIATED UNITS AND CAPITAL).

SECTION 7.07. *Effect of Transfer Not in Compliance with this Article*. Any purported Transfer of all or any part of a Partner s Interest, or any interest therein, that is not in compliance with this Article VII (and, in the case of the Founding/Working Partner Interests or REU Interests, Article XII) shall, to the fullest extent permitted by law, be void *ab initio* and shall be of no effect.

Table of Contents

ARTICLE VIII

EXCHANGE RIGHTS

SECTION 8.01. *Exchange Rights*. (a) An Exchange Right Interest shall be exchangeable, at the option of such Limited Partner holding such Interest, with BGC Partners for BGC Partners Common Stock, on the terms, and subject to the conditions, set forth in this Article VIII.

(b) (i) An Exchangeable Limited Partner shall be entitled to exchange all or a portion of its Exchangeable Limited Partnership Interest; *provided* that, in the case of the Exchangeable Limited Partnership Interest issued on the date of this Agreement or prior to the first anniversary of the Closing Date (as defined in the Separation Agreement), such Exchangeable Limited Partnership Interest may be exchanged hereunder only on or after the first anniversary of the Closing Date (as defined in the Separation Agreement) or for exchanges that occur prior to the Merger or pursuant to the next sentence. Notwithstanding the foregoing or anything else to the contrary in this Agreement, prior to the first anniversary of the Closing Date (as defined in the Separation Agreement), Cantor or any Cantor Company shall be entitled to exchange from time to time a portion of its Exchangeable Limited Partnership Interests for up to an aggregate of 20 million shares of BGC Partners Class A Common Stock; *provided* that any such exchange shall be conditioned upon the consummation of a broad-based public offering including all shares of BGC Partners Class A Common Stock received upon such exchange, where such offering is underwritten by a nationally recognized investment banking firm.

(ii) A Founding Partner shall not be entitled to exchange any portion of its Founding Partner Interest; *provided*, *however*, that the Exchangeable Limited Partners (by affirmative vote of a Majority in Interest) may, in their sole discretion, cause all or a portion of the outstanding Founding Partner Units to be exchangeable (including mandatorily exchangeable) with BGC Partners for shares of BGC Partners Class A Common Stock pursuant to Section 8.01(c)(ii); *provided*, *however*, that BGC Partners shall not be required to effectuate such an exchange if such Founding Partner Interest shall be subject to any Encumbrance. The terms and conditions on which such Founding Partner Units shall become exchangeable (including the circumstances in which such Founding Partner Units shall be mandatorily exchangeable and/or cease to be exchangeable) shall be determined by the Exchangeable Limited Partners (by affirmative vote of a Majority in Interest). Notwithstanding the foregoing, Cantor shall not be able to make a Founding Partner Interest exchangeable if the terms and conditions of such exchange would in any way diminish or adversely affect the rights of BGC Partners or its Subsidiaries (it being understood that an obligation by BGC Partners to deliver shares of BGC Partners Class A Common Stock upon exchange shall not be deemed to diminish or adversely affect the rights of BGC Partners or its Subsidiaries).

(iii) An REU Partner shall not be entitled to exchange any portion of its REU Interest; *provided*, *however*, that BGC Partners may, with the written consent of a Majority in Interest, cause all or a portion of the outstanding REUs to be exchangeable (including mandatorily exchangeable) with BGC Partners for shares of BGC Partners Class A Common Stock pursuant to Section 8.01(c)(iii); *provided*, *however*, that BGC Partners shall not be required to effectuate such an exchange if such REU Interest shall be subject to any Encumbrance. The terms and conditions on which such REUs shall become exchangeable (including the circumstances in which such REUs shall cease to be mandatorily exchangeable and/or exchangeable) shall be determined by BGC Partners, with the written consent of a Majority in Interest.

(iv) A Working Partner shall not be entitled to exchange any portion of its Working Partner Interest; *provided*, *however*, that BGC Partners may, with the written consent of a Majority in Interest, cause all or a portion of the outstanding Working Partner Units to be exchangeable (including mandatorily exchangeable) with BGC Partners for shares of BGC Partners Class A Common Stock pursuant to Section 8.01(c)(iv); *provided*, *however*, that BGC Partners shall not be required to effectuate such an exchange if such Working Partner Interest shall be subject to any Encumbrance. The

Table of Contents

terms and conditions on which such Working Partner Units shall become exchangeable (including the circumstances in which such Working Partner Units shall be mandatorily exchangeable and/or cease to be exchangeable) shall be determined by BGC Partners, with the written consent of a Majority in Interest.

(v) Provisions of this Article VIII that apply to the exchange of an entire Exchange Right Interest shall also apply to an exchange of a portion of an Exchange Right Interest. Each Exchange shall be expressed in terms of a number of Units underlying the Exchange Right Interest being exchanged. Cantor may, on one occasion, designate any Exchange or Exchanges made as of a single date or as part of a series of related transactions as being intended to qualify for tax-deferred treatment under Section 351 of the Code, in which case BGC Partners shall take such actions, at BGC Partners expense, as may be reasonably requested by Cantor to achieve such tax treatment. Subject to Section 4.09 of the Separation Agreement, BGC Partners acknowledges that for purposes of the foregoing, a request by Cantor to form a new parent holding company to which all of the holders of BGC Partners Common Stock are required to transfer their shares in connection with the consummation of an Exchange shall be a reasonable request.

(c) (i) Exchangeable Limited Partnership Interests issued on the date of this Agreement pursuant to the Contribution and any Exchangeable Limited Partnership Interests issued after the date of this Agreement shall be exchangeable for a number of shares of BGC Partners Class B Common Stock equal to the Exchange Ratio multiplied by the Units so exchanged; *provided* that, in the event that (A) the Electing Partner elects to receive BGC Partners Class A Common Stock and/or (B) there shall be not be any authorized and unissued shares of BGC Partners Class B Common Stock, such Exchangeable Limited Partnership Interests shall be exchangeable for a number of shares of BGC Partners Class A Common Stock equal to the Exchange Ratio multiplied by the Units so exchanged.

(ii) If a Founding Partner Interest shall have become exchangeable pursuant to Section 8.01(b)(ii), such Founding Partner Interest shall be exchangeable for a number of shares of BGC Partners Class A Common Stock equal to the Exchange Ratio multiplied by the Units so exchanged.

(iii) If an REU Interest shall have become exchangeable pursuant to Section 8.01(b)(iii), such REU Interest shall be exchangeable for a number of shares of BGC Partners Class A Common Stock equal to the Exchange Ratio multiplied by the Units so exchanged.

(iv) If a Working Partner Interest shall have become exchangeable pursuant to Section 8.01(b)(iv), such Working Partner Interest shall be exchangeable for a number of shares of BGC Partners Class A Common Stock equal to the Exchange Ratio multiplied by the Units so exchanged.

(d) A holder of an Exchange Right Interest is not entitled to any rights of a holder of BGC Partners Common Stock with respect to such Exchange Right Interest until such Interest shall have been exchanged therefor in accordance with this Article VIII.

(e) To exercise the Exchange Right, a holder of an Exchange Right Interest who elects to exercise its Exchange Right (an *Electing Partner*) shall prepare and deliver to BGC Partners and the Partnership a written request signed by such Electing Partner (i) stating the amount of Exchange Right Units, together with the Exchange Right Interests and a proportionate amount of Capital (or portion thereof), that such Electing Partner desires to exchange, (ii) stating the Business Day on which the Electing Partner shall elect to have such Exchange consummated in accordance with this Article VIII (the date so selected by the Electing Partner, the *Requested Exchange Effective Date*), (iii) solely in the case of Exchangeable Limited Partnership Interests, stating, whether such Electing Partner desires to receive BGC Partners Class A Common Stock in lieu of all or a portion of the BGC Partners Class B Common Stock otherwise issuable (and if so, the number of shares of BGC Partners Class A Common Stock such Electing Partner desires to receive), and (iv) representing, warranting and certifying to each of BGC Partners and Partnership that, as of the date of such notice and as of the Exchange Effective Date, (A) such Electing Partner is entitled to exchange the portion of the Exchange Right Units that the Electing Partner desires to exchange pursuant to this Article VIII, (B) such Electing Partner is the sole record and beneficial owner of such Exchange Right

Table of Contents

Units, together with Exchange Right Interests and a proportionate amount of Capital, free and clear of all Encumbrances other than those created by this Agreement and (C) upon consummation of the Exchange, BGC Partners will have all right, title and interest in and to the Exchange Right Interest and related Unit received in such exchange, free and clear of all Encumbrances (other than any created by this Agreement or under any agreement, contract, law or order to which BGC Partners is a party or otherwise subject) (each such request, an *Exchange Request*). The General Partner shall effectuate such Exchange on the Requested Exchange Effective Date or otherwise promptly effectuate such Exchange (such date, the *Exchange Effective Date*). Each of BGC Partners and the General Partner shall have the right to determine whether any Exchange Request is proper or to waive any infraction, or any requirement, of these procedures. Once delivered, an Exchange Request shall be irrevocable.

(f) Each Exchange shall be consummated effective as of the close of BGC Partners business on the applicable Exchange Effective Date (such time, the *Exchange Effective Time*), and the Electing Partner shall be deemed to have become the holder of record of the applicable number of shares of BGC Partners Common Stock at such Exchange Effective Time, and all rights of the Electing Partner in respect of the portion of the Exchange Right Units, together with the Exchange Right Interest, and a proportionate amount of Capital as determined pursuant to Section 8.01(h) so exchanged shall terminate at such Exchange Effective Time; *provided*, *however*, that the obligation of BGC Partners to consummate any Exchange shall be conditioned upon (i) the absence of any injunction, order, law or regulation of any governmental or regulatory authority of competent jurisdiction that prohibits the consummation of such Exchange or the redemption contemplated by Section 8.07 in accordance with its terms, (ii) the receipt of all material regulatory and governmental approvals (including registration under the Securities Act, or the availability of an exemption from the requirements for such registration and self regulatory approvals) that are required to consummate such Exchange and the redemption contemplated by Section 8.07 in accordance with its terms (and each of the parties involved in such Exchange shall use its reasonable best efforts to obtain all such approvals), (iii) the certifications set forth in Section 8.01(e) shall be true and correct when made and as of the Exchange Effective Time, and (iv) the redemption contemplated by Section 8.07 shall be capable of being consummated in accordance with the terms thereof.

(g) Upon receipt by BGC Partners of an Exchange Right Interest and related Exchange Right Units (or portion thereof) pursuant to any Exchange, the Exchange Right Interest and related Exchange Rights Units (or portion thereof) being so exchanged shall automatically be designated as a Regular Limited Partnership Interest and related Units (or portion thereof), shall have all rights and obligations of a holder of Regular Limited Partnership Interests and shall cease to be designated as an Exchange Right Interest (and for the avoidance of doubt, shall not be exchangeable pursuant to this Section 8.01).

(h) (i) In the case of an Exchange of an Exchangeable Limited Partnership Interest (or portion thereof) pursuant to Section 8.01(b)(i) or a Founding Partner Interest (or portion thereof) pursuant to Section 8.01(b)(ii), and subject to any additional adjustment as may be required under Section 8.01(i), the aggregate Capital Account of the Units so exchanged shall equal a *pro rata* portion of the total aggregate Capital Account of all Exchangeable Limited Partner Units and Founding Partner Units then outstanding, reflecting the portion of all such Exchangeable Limited Partner Units and Founding Partner Units then outstanding represented by the Units so exchanged. The aggregate Capital Account of the Electing Partner in such Partner s remaining Units shall be reduced by an equivalent amount. If the aggregate Capital Account of such Electing Partner is insufficient to permit such a reduction without resulting in a negative Capital Account, the amount of such insufficiency shall be satisfied by reallocating Capital from the Capital Accounts of the Exchangeable Limited Partners and the Founding Partners to the Capital Account of the Units so exchanged, *pro rata* based on the number of Units underlying the outstanding Exchangeable Limited Partnership Interests and the Founding Partner Interests or based on other factors as determined by a Majority in Interest.

(ii) In the case of an Exchange of an REU Interest (or portion thereof) pursuant to Section 8.01(b)(iii) or a Working Partner Interest (or portion thereof) pursuant to Section 8.01(b)(iv), and subject to any additional adjustment as may be required under Section 8.01(i), the aggregate

Table of Contents

Capital Account of the Units so exchanged shall equal the Capital Account of the REU Interest (or portion thereof) or Working Partner Interest (or portion thereof), as the case may be, represented by such Units.

(i) If, prior to an Exchange of an Exchange Right Interest, there has been an allocation of items of income, gain, loss or deduction resulting from a Special Item, then (A) the Capital Account of the Units so exchanged shall be further adjusted so that Units received by BGC Partners in the Exchange shall not reflect any such allocation; and (B) any increase or decrease in the remaining Capital for all issued and outstanding Interests as a result of clause (A) of this sentence shall be allocated to the Capital Accounts of the Limited Partnership Interests (other than the Special Voting Limited Partnership Interest), *pro rata* in proportion to the number of Units underlying such Interests or in other proportion as determined by a Majority in Interest (it being the intention that, in all cases, BGC Partners, as the holder of the Special Voting Limited Partner Interest or otherwise, shall not bear the benefits and burdens of the Special Item). Such reallocation shall be effected in the manner determined by the General Partner with the written consent of a Majority in Interest.

SECTION 8.02. *No Fractional Shares of BGC Partners Common Stock*. Notwithstanding anything to the contrary herein, BGC Partners will not transfer any fractional shares of BGC Partners Common Stock upon any Exchange. In lieu thereof, in each Exchange, BGC Partners will transfer shares of BGC Partners Common Stock rounded to the nearest whole share.

SECTION 8.03. *Taxes in Respect of an Exchange*. In any Exchange, BGC Partners shall pay any documentary, stamp or similar issue or transfer tax due on the issue of the BGC Partners Common Stock upon such Exchange; *provided* that the Electing Partner shall pay any such tax that is due because such Electing Partner requests the shares of BGC Partners Common Stock to be issued in a name other than the holder s name. BGC Partners may refuse to deliver the certificate representing BGC Partners Common Stock being transferred to a Person other than the Electing Partner until BGC Partners receives a sum sufficient to pay any tax that will be due because the shares are to be transferred to a Person other than the Electing Partner. Nothing herein shall preclude any tax withholding required by law or regulation.

SECTION 8.04. *Reservation of BGC Partners Common Stock*. BGC Partners covenants and agrees that it shall from time to time as may be necessary reserve, out of its authorized but unissued BGC Partners Class B Common Stock and BGC Partners Class A Common Stock, a sufficient number of shares of BGC Partners Class B Common Stock and BGC Partners Class A Common Stock solely to effect the exchange of all then outstanding Exchange Right Units together with the Exchange Right Interests and a proportionate amount of Capital into shares of BGC Partners Class B Common Stock and BGC Partners Class A Common Stock pursuant to the Exchanges (subject, in the case of BGC Partners Class B Common Stock, to the maximum number of shares authorized but unissued under the Certificate of Incorporation of BGC Partners as then in effect) and a sufficient number of shares of BGC Partners Class A Common Stock to effect the exchange of shares of BGC Partners Class B Common Stock issued or issuable in respect of Exchange Right Units together with the Exchange Right Interests and a proportionate amount of Capital. BGC Partners covenants and agrees that all shares of BGC Partners Class B Common Stock and BGC Partners Class A Common Stock issued in the Exchange will be duly authorized, validly issued, fully paid and nonassessable and will be free from pre-emptive rights and free of any Encumbrances. BGC Partners acknowledges and agrees that each additional issuance of Exchange Right Interests in accordance with this Agreement will be entitled to Exchange Right Units under this Article VIII.

SECTION 8.05. *Compliance with Applicable Laws in the Exchange*. BGC Partners shall use its reasonable best efforts promptly to comply with all federal and state securities laws regulating the offer and delivery of shares of BGC Partners Class B Common Stock (or, if applicable, BGC Partners Class A Common Stock) upon Exchange of Exchange Right Units, together with the Exchange Right Interests and a proportionate amount of Capital, if any, and (to the extent BGC Partners Class A Common Stock is listed on a national securities exchange) to list or cause to have quoted such shares of BGC Partners Class A Common Stock (including BGC Partners Class A Common Stock issuable in exchange for any shares of BGC Partners Class B Common Stock to

Table of Contents

be issued hereunder) on each national securities exchange or on the Nasdaq Global Market or other over-the-counter market or such other market on which the BGC Partners Class A Common Stock is then listed or quoted; *provided*, *however*, that if rules of such automated quotation system or exchange permit BGC Partners to defer the listing of such BGC Partners Class A Common Stock until the first exchange of the Exchange Right Interests into BGC Partners Class A Common Stock (or, if applicable, BGC Partners Class B Common Stock exchangeable for BGC Partners Class A Common Stock) in accordance with the provisions of this Article VIII, BGC Partners shall use its reasonable best efforts to list such BGC Partners Class A Common Stock issuable upon Exchange of the Exchange Right Units together with the Exchange Right Interests and a proportionate amount of Capital or the BGC Partners Class B Common Stock issued in exchange for such Exchange Right Units together with the Exchange Right Interests and a proportionate amount of Capital in accordance with the requirements of such automated quotation system or exchange at such time.

SECTION 8.06. *Adjustments to Exchange Ratio*. (a) In the event that BGC Partners shall:

(i) pay a dividend in the form of shares of BGC Partners Common Stock or make a distribution on shares of BGC Partners Common Stock in the form of shares of BGC Partners Common Stock;

(ii) subdivide the outstanding shares of BGC Partners Common Stock into a greater number of shares;

(iii) combine the outstanding shares of BGC Partners Common Stock into a smaller number of shares;

(iv) make a distribution on shares of BGC Partners Common Stock in shares of its share capital other than BGC Partners Common Stock; or

(v) issue by reclassification of the outstanding shares of BGC Partners Common Stock any shares of its share capital;

for which there shall not be a corresponding adjustment in the number of Exchange Right Units (including pursuant to Section 4.11 of the Separation Agreement), then the Exchange Ratio in effect immediately prior to such action shall be adjusted so that the holder of an Exchange Right Unit who thereafter exchanged in accordance with this Article VIII shall receive the number of shares of share capital of BGC Partners that it would have owned immediately following such action if it had exchanged its Exchange Right Units in full for shares of BGC Partners Common Stock immediately prior to such action; *provided*, *however*, that no such adjustment to the Exchange Ratio shall be made to the extent that such dividend, subdivision, combination, distribution or issuance pursuant to clauses (i) through (v) above was made to maintain the existing BGC Ratio pursuant to a reinvestment by BGC Partners or its Subsidiaries pursuant to Section 4.11(a)(iii) of the Separation Agreement.

(b) In the event of (i) any reclassification or change of shares of BGC Partners Common Stock issuable upon exchange of the Exchange Right Units (other than a change in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination, or any other change for which an adjustment is provided in Section 8.06(a)); (ii) any consolidation or merger or combination to which BGC Partners is a party other than a merger in which BGC Partners is the continuing corporation and which does not result in any reclassification of, or change (other than in par value, or from par value to no par value, or from no par value to par value, or as a result of a subdivision or combination) in, outstanding shares of BGC Partners Common Stock; or (iii) any sale, transfer or other disposition of all or substantially all of the assets of BGC Partners, directly or indirectly, to any Person as a result of which holders of BGC Partners Common Stock shall be entitled to receive stock, securities or other property or assets (including cash) with respect to or in exchange for BGC Partners Common Stock, then BGC Partners shall take all necessary action such that the Exchange Right Units then outstanding shall be exchangeable into the kind and amount of shares of stock and other securities and property (including cash) receivable upon such reclassification, change, combination, consolidation, merger, sale, transfer or other disposition by a holder of the number of shares of BGC Partners Common Stock deliverable upon exchange of such Exchange

Table of Contents

Right Units immediately prior to such reclassification, change, combination, consolidation, merger, sale, transfer or other disposition. The provisions of this Section 8.06(b) shall similarly apply to successive reclassifications, changes, combinations, consolidations, mergers, sales or conveyances.

(c) In the event that the Partnership shall combine the outstanding Exchange Right Units into a smaller number of Exchange Right Units, the Exchange Ratio in effect immediately prior to such action shall be adjusted so that the holder of Exchange Right Units thereafter exchanged in accordance with this Article VIII may receive the number of shares of BGC Partners Common Stock that it would have owned immediately following such action if it had exchanged its Exchange Right Units in full for shares of BGC Partners Common Stock immediately prior to such action.

SECTION 8.07. *Redemption for Opco Units*. (a) Immediately following an Exchange of an Exchange Right Interest, the Partnership shall redeem the Exchange Right Interest and related Exchange Right Units received in the Exchange by BGC Partners (or any member of the BGC Partners Group to whom BGC Partners Transfers such Interests and related Units) in exchange for (A) a U.S. Opco Limited Partnership Interest (the *Acquired U.S. Opco Interest*) consisting of a number of U.S. Opco Units equal to (1) the number of shares of BGC Partners Common Stock issued in such Exchange *multiplied* by (2) the BGC Ratio as of immediately prior to the redemption of such Units and (B) a Global Opco Limited Partnership Interest (the *Acquired Global Opco Interest* and collectively with the Acquired U.S. Opco Interest, the *Acquired Interests*) consisting of a number of Global Opco Units equal to (1) the number of shares of BGC Partners Common Stock issued in the Exchange *multiplied* by (2) the BGC Ratio as of immediately prior to the redemption of such Unit.

(b) In the case of an Exchange of an Exchangeable Limited Partnership Interest or a Founding Partner Interest, (i) the Acquired U.S. Opco Interest shall consist of U.S. Opco Capital equal to (1) the total U.S. Opco Capital as of immediately prior to the applicable Exchange for all issued and outstanding U.S. Opco Units that were issued in connection with the issuance of any outstanding Exchangeable Limited Partnership Interest or Founding Partner Interest, *divided by* (2) the total number of issued and outstanding U.S. Opco Units as of immediately prior to the applicable Exchange that were issued in connection with the issuance of any outstanding Exchangeable Limited Partnership Interest or Founding Partner Interest, *multiplied by* (3) the number of U.S. Opco Units underlying such Acquired U.S. Opco Interest; (ii) the Acquired Global Opco Interest shall consist of Global Opco Capital equal to (1) the total Global Opco Capital as of immediately prior to the applicable Exchange for all issued and outstanding Global Opco Units that were issued in connection with the issuance of any outstanding Exchangeable Limited Partnership Interest or Founding Partner Interest, *divided by* (2) the total number of issued and outstanding Global Opco Units as of immediately prior to the applicable Exchange that were issued in connection with the issuance of any outstanding Exchangeable Limited Partnership Interest or Founding Partner Interest, *multiplied by* (3) the number of Global Opco Units underlying such Acquired Global Opco Interest; and (iii) the U.S. Opco Capital and Global Opco Capital of such Acquired U.S. Opco Interest and Global Opco Interest, as the case may be, shall be appropriately adjusted to reflect the impact of any Special Item (as defined in the U.S. Opco Limited Partnership Agreement and the Global Opco Limited Partnership Agreement, as the case may be) and the intention of the Parties for the Partnership (and not BGC Partners, as the holder of the Special Voting Limited Partner Interest or otherwise) to realize the economic benefits and burdens of such Special Item.

(c) In the case of an Exchange of an REU Interest, (i) the Acquired U.S. Opco Interest shall consist of U.S. Opco Capital equal to (1) the total U.S. Opco Capital as of immediately prior to the applicable Exchange for all issued and outstanding U.S. Opco Units that were issued in connection with the issuance of any outstanding REU Interest, *divided by* (2) the total number of issued and outstanding U.S. Opco Units as of immediately prior to the applicable Exchange that were issued in connection with the issuance of any outstanding REU Interest, *multiplied by* (3) the number of U.S. Opco Units underlying such Acquired U.S. Opco Interest; (ii) the Acquired Global Opco Interest shall consist of Global Opco Capital equal to (1) the total Global Opco Capital as of immediately prior to the applicable Exchange for all issued and outstanding Global Opco Units that were issued in connection with the issuance of any outstanding REU Interest,

Table of Contents

divided by (2) the total number of issued and outstanding Global Opco Units as of immediately prior to the applicable Exchange that were issued in connection with the issuance of any outstanding REU Interest, *multiplied by* (3) the number of Global Opco Units underlying such Acquired Global Opco Interest; and (iii) the U.S. Opco Capital and Global Opco Capital of such Acquired U.S. Opco Interest and Global Opco Interest, as the case may be, shall be appropriately adjusted to reflect the impact of any Special Item (as defined in the U.S. Opco Limited Partnership Agreement and the Global Opco Limited Partnership Agreement, as the case may be) and the intention of the Parties for the Partnership (and not BGC Partners, as the holder of the Special Voting Limited Partner Interest or otherwise) to realize the economic benefits and burdens of such Special Item.

(d) In the case of an Exchange of a Working Partner Interest, (i) the Acquired U.S. Opco Interest shall consist of U.S. Opco Capital equal to (1) the total U.S. Opco Capital as of immediately prior to the applicable Exchange for all issued and outstanding U.S. Opco Units that were issued in connection with the issuance of any outstanding Working Partner Interest, *divided by* (2) the total number of issued and outstanding U.S. Opco Units as of immediately prior to the applicable Exchange that were issued in connection with the issuance of any outstanding Working Partner Interest, *multiplied by* (3) the number of U.S. Opco Units underlying such Acquired U.S. Opco Interest; (ii) the Acquired Global Opco Interest shall consist of Global Opco Capital equal to (1) the total Global Opco Capital as of immediately prior to the applicable Exchange for all issued and outstanding Global Opco Units that were issued in connection with the issuance of any outstanding Working Partner Interest, *divided by* (2) the total number of issued and outstanding Global Opco Units as of immediately prior to the applicable Exchange that were issued in connection with the issuance of any outstanding Working Partner Interest, *multiplied by* (3) the number of Global Opco Units underlying such Acquired Global Opco Interest; and (iii) the U.S. Opco Capital and Global Opco Capital of such Acquired U.S. Opco Interest and Global Opco Interest, as the case may be, shall be appropriately adjusted to reflect the impact of any Special Item (as defined in the U.S. Opco Limited Partnership Agreement and the Global Opco Limited Partnership Agreement, as the case may be) and the intention of the Parties for the Partnership (and not BGC Partners, as the holder of the Special Voting Limited Partner Interest or otherwise) to realize the economic benefits and burdens of such Special Item.

ARTICLE IX

DISSOLUTION

SECTION 9.01. *Dissolution*. The Partnership shall be dissolved and its affairs wound up upon the first to occur of the following:

(a) an election to dissolve the Partnership made by the General Partner; *provided* that such dissolution shall require the prior approval of (x) a majority vote of a quorum consisting of Disinterested Directors and (y) the Exchangeable Limited Partners (by affirmative vote of a Majority in Interest);

(b) at any time there are no limited partners of the Partnership, unless the business of the Partnership is continued in accordance with the Act;

(c) any event that results in the General Partner ceasing to be a general partner of the Partnership under the Act, provided that the Partnership shall not be dissolved and required to be wound up in connection with any such event if (A) at the time of the occurrence of such event there is at least one remaining general partner of the Partnership who is hereby authorized to and does carry on the business of the Partnership, or (B) within 90 days after the occurrence of such event, a majority of the Limited Partners agree in writing or vote to continue the business of the Partnership and to the appointment, effective as of the date of such event, if required, of one or more additional general partners of the Partnership; or

(d) entry of a decree of judicial dissolution under Section 17-802 of the Act.

Table of Contents

None of the Partners shall have any right to terminate, dissolve or have redeemed their class of Interests or, except for the General Partner and otherwise to the fullest extent permitted by law, to terminate, windup or dissolve the Partnership.

SECTION 9.02. *Liquidation*. Upon a dissolution pursuant to Section 9.01, the Partnership s business and assets shall be wound up promptly in an orderly manner. The General Partner shall be the liquidator to wind up the affairs of the Partnership. In performing its duties, the General Partner is authorized to sell, exchange or otherwise dispose of the Partnership s business and assets in accordance with the Act in any reasonable manner that the General Partner determines to be in the best interests of the Partners. Upon completion of the winding-up of the Partnership, the General Partner shall prepare and submit to each Limited Partner a final statement with respect thereto.

SECTION 9.03. *Distributions*. (a) In the event of a dissolution of the Partnership pursuant to Section 9.01, the Partnership shall apply and distribute the proceeds of the dissolution as provided below:

(i) *first*, to the creditors of the Partnership, including Partners that are creditors of the Partnership to the extent permitted by law, in satisfaction of the liabilities of the Partnership (by payment or by the making of reasonable provision for payment thereof, including the setting up of any reserves which the General Partner determines, in its sole and absolute discretion, are necessary therefor);

(ii) *second*, to the repayment of any loans or advances that may have been made by any of the Partners to the Partnership;

(iii) *third*, to the Partners in proportion to (and to the extent of) the positive balances in their respective Capital Accounts; and

(iv) *thereafter*, to the Partners in proportion to their respective Percentage Interests.

(b) *Cancellation of Certificate of Limited Partnership*. Upon completion of a liquidation and distribution pursuant to Section 9.03(a) following a dissolution of the Partnership pursuant to Section 9.01, the General Partner shall execute, acknowledge and cause to be filed a certificate of cancellation of the Certificate of Limited Partnership of the Partnership in the office of the Secretary of State of the State of Delaware. The Partnership s existence as a separate legal entity shall continue until cancellation of the Certificate of Limited Partnership as provided in the Act.

SECTION 9.04. *Reconstitution*. Nothing contained in this Agreement shall impair, restrict or limit the rights and powers of the Partners under the laws of the State of Delaware and any other jurisdiction in which the Partnership is doing business to reform and reconstitute themselves as a limited partnership following dissolution of the Partnership either under provisions identical to those set forth herein or any others which they may deem appropriate.

SECTION 9.05. *Deficit Restoration*. Upon the termination of the Partnership, no Limited Partner shall be required to restore any negative balance in his, her or its Capital Account to the Partnership except that any Founding/Working Partner holding High Distribution II Units shall be required to restore any negative balance in his, her or its Capital Account but only to the extent of such Founding/Working Partner s HDII Account. Any amount contributed by a Founding/Working Partner holding High Distribution II Units pursuant to this Section 9.05 shall be considered an HDII Contribution for purposes of Section 12.01(b)(ii)(A). The General Partner shall be required to contribute to the Partnership an amount equal to its respective deficit Capital Account balances within the period prescribed by Treasury Regulation Section 1.704-1(b)(2)(ii)(c).

ARTICLE X

INDEMNIFICATION AND EXCULPATION

SECTION 10.01. *Exculpation*. Neither a General Partner nor any Affiliate or director or officer of a General Partner or any such Affiliate shall be personally liable to the Partnership or the Limited Partners for a breach of

Table of Contents

this Agreement or any fiduciary duty as a General Partner or as an Affiliate or director or officer of a General Partner or any such Affiliate, except to the extent such exemption from liability or limitation thereof is not permitted under the Act as the same exists or may hereafter be amended. Any repeal or modification of the immediately preceding sentence shall not adversely affect any right or protection of such Person existing hereunder with respect to any act or omission occurring prior to such repeal or modification. A General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisors selected by it and the opinion of any such Person as to matters which the General Partner reasonably believes to be within such Person s professional or expert competence shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by the General Partner in good faith and in accordance with such opinion. A General Partner may exercise any of the powers granted to it by this Agreement and perform any of the obligations imposed on it hereunder either directly or by or through one or more agents, and the General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by the General Partner with due care.

SECTION 10.02. *Indemnification*. (a) Each Person who was or is made a party or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative or investigative (hereinafter a *proceeding*), by reason of the fact that he or she, or a Person of whom he or she is the legal representative, is or was a or has agreed to become a General Partner, or any director or officer of the General Partner or of the Partnership, or is or was serving at the request of the Partnership as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while surviving as a director, officer, employee or agent, shall be indemnified and held harmless by the Partnership to the fullest extent authorized by the General Corporation Law of the State of Delaware (the *DGCL*) as the same exists or may hereafter be amended (but, in the case of any such amendment, to the fullest extent permitted by law, only to the extent that such amendment permits the Partnership to provide broader indemnification rights than said law permitted the Partnership to provide prior to such amendment), as if the Company were a corporation organized under the DGCL, against all expense, liability and loss (including attorneys fees and expenses, judgments, fines, amounts paid or to be paid in settlement, and excise taxes or penalties arising under the Employee Retirement Income Security Act of 1974) reasonably incurred or suffered by such Person in connection therewith and such indemnification shall continue as to a Person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; *provided*, *however*, that except as provided in Section 10.02(c), the Partnership shall indemnify any such Person seeking indemnification in connection with a proceeding (or part thereof) initiated by such Person only if such proceeding (or part thereof) was authorized by the General Partner. The right to indemnification conferred in this Section 10.02 shall be a contract right and shall include the right to be paid by the Partnership the expenses, including attorneys fees and expenses, incurred in defending any such proceeding in advance of its financial disposition; *provided*, *however*, that if the applicable law requires that the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such Person while a director or officer, including, service to an employee benefit plan) in advance of the final disposition of a proceeding shall be made only upon delivery to the Partnership of an undertaking by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section 10.02 or otherwise. The Partnership may, by action of the General Partner, provide indemnification to employees and agents of the Partnership with the same scope and effect as the foregoing indemnification of directors and officers.

(b) To obtain indemnification under this Section 10.02, a claimant shall submit to the Partnership a written request, including therein or therewith such documentation and information as is reasonably available to the claimant and is reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Upon written request by a claimant for indemnification pursuant to the first sentence of this Section 10.02(b), a determination, if required by applicable law, with respect to the claimant s entitlement thereto shall be made as follows: (i) if requested by the claimant, by Independent

Table of Contents

Counsel (as hereinafter defined), or (ii) if no request is made by the claimant for a determination by Independent Counsel, (x) by the board of directors of BGC Partners by a majority vote of a quorum consisting of Disinterested Directors (as hereinafter defined), or (y) if a quorum of the board of directors of BGC Partners consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs, by Independent Counsel in a written opinion to the board of directors of BGC Partners, a copy of which shall be delivered to the claimant, or (z) if a quorum of Disinterested Directors so directs, by the affirmative vote of a Majority in Interest. In the event the determination of entitlement to indemnification is to be made by Independent Counsel at the request of the claimant, the Independent Counsel shall be selected by the board of directors of BGC Partners unless there shall have occurred within two years prior to the date of the commencement of the action, suit or proceeding for which indemnification is claimed a Change of Control as defined in the 1999 Long-Term Incentive Plan of eSpeed, as amended in 2003, in which case the Independent Counsel shall be selected by the claimant unless the claimant shall request that such selection be made by the board of directors of BGC Partners. If it is so determined that the claimant is entitled to indemnification, payment to the claimant shall be made within ten (10) days after such determination.

(c) If a claim under Section 10.02(a) is not paid in full by the Partnership within thirty (30) days after a written claim pursuant to Section 10.02(b) has been received by the Partnership, the claimant may at any time thereafter bring suit against the Partnership to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Partnership) that the claimant has not met the standards of conduct which make it permissible under the DGCL as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Partnership to provide broader indemnification rights than it permitted the Partnership to provide prior to such amendment) for the Partnership to indemnify the claimant for the amount claimed if the Partnership were a corporation organized under the DGCL, but the burden of proving such defense shall be on the Partnership. Neither the failure of the Partnership (including the board of directors of BGC Partners, independent legal counsel or its holders of Interests) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Partnership (including the board of directors of BGC Partners or independent legal counsel or its holders of Interests) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(d) If a determination shall have been made pursuant to Section 10.02(b) that the claimant is entitled to indemnification, the Partnership shall be bound by such determination in any judicial proceeding commenced pursuant to Section 10.02(c).

(e) The Partnership shall be precluded from asserting in any judicial proceeding commenced pursuant to Section 10.02(c) that the procedures and presumptions of this Section 10.02 are not valid, binding and enforceable and shall stipulate in such proceeding that the Partnership is bound by all the provisions of this Section 10.02.

(f) The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section 10.02 shall not be exclusive of any other right that any Person may have or hereafter acquire under any statute, provision of this Agreement, agreement, vote of the Exchangeable Limited Partners (by affirmative vote of a Majority in Interest) or Disinterested Directors or otherwise. No amendment or other modification of this Section 10.02 shall in any way diminish or adversely affect the rights of a General Partner, a Limited Partner or any directors, officers, employees or agents of the General Partner in respect of any occurrence or matter arising prior to any such repeal or modification.

Table of Contents

(g) The Partnership may, to the extent authorized from time to time by the General Partner, grant rights to indemnification, and rights to be paid by the Partnership the expenses incurred in defending any proceeding in advance of its final disposition, to any employee or agent of the Partnership to the fullest extent of the provisions of this Section 10.02 with respect to the indemnification and advancement of expenses of a General Partner, a Limited Partner or any directors and officers of the General Partner.

(h) If any provision or provisions of this Section 10.02 shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Section 10.02 (including each portion of this Section 10.02 containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (ii) to the fullest extent possible, the provisions of this Section 10.02 (including each such portion of this Section 10.02 containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

(i) For purposes of this Article X:

(i) *Disinterested Director* means a director of BGC Partners who is not and was not a party to the matter in respect of which indemnification is sought by the claimant.

(ii) *Independent Counsel* means a law firm, a member of a law firm, or an independent practitioner, that is experienced in matters of corporation law and shall include any Person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Partnership or the claimant in an action to determine the claimant s rights under this Section 10.02.

(i) Any notice, request or other communication required or permitted to be given to the Partnership under this Section 10.02 shall be in writing and either delivered in person or sent by telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the General Partner and shall be effective only upon receipt by the General Partner.

SECTION 10.03. *Insurance*. The Partnership may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Partnership or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Partnership would have the power to indemnify such Person against such expense, liability or loss under the Act if the Partnership were a corporation organized under the DGCL. To the extent that the Partnership maintains any policy or policies providing such insurance, each such director or officer, and each such agent or employee to which rights of indemnification have been granted as provided in Section 10.02 shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage thereunder for any such director, officer, employee or agent.

SECTION 10.04. *Subrogation*. In the event of payment of indemnification to a Person described in Section 10.02, the Partnership shall be subrogated to the extent of such payment to any right of recovery such person may have and such person, as a condition of receiving indemnification from the Partnership, shall execute all documents and do all things that the Partnership may deem necessary or desirable to perfect such right of recovery, including the execution of such documents necessary to enable the Partnership effectively to enforce any such recovery.

SECTION 10.05. *No Duplication of Payments*. The Partnership shall not be liable under this Article X to make any payment in connection with any claim made against a person described in Section 10.02 to the extent such Person has otherwise received payment (under any insurance policy or otherwise) of the amounts otherwise payable as indemnity hereunder.

SECTION 10.06. *Survival*. This Article X shall survive any termination of this Agreement.

Table of Contents

ARTICLE XI

EXTRAORDINARY ITEMS

SECTION 11.01. *Certain Arrangements Regarding Extraordinary Items*. (a) The Partnership may, from time to time, receive extraordinary income items from non recurring events, including but not limited to (i) items that would be considered extraordinary items under U.S. generally accepted accounting principles and (ii) recoveries, by settlement, judgment, insurance reimbursement or otherwise, with respect to claims for expenses, costs and damages (including lost profits, but not including any recovery that does not result in monetary payments to the Partnership) attributable to extraordinary events affecting the Partnership (collectively, *Extraordinary Income Items*). Without limiting the foregoing, except as otherwise determined by the General Partner in its sole and absolute discretion, all after-tax income to the Partnership resulting from any transaction relating to shares of capital stock of any Affiliate owned by the Partnership, whether or not recurring in nature and whether hereafter arising or occurring prior to the date of this Agreement, including gains from the Partnership s sale or deemed sale of such stock, may be treated by the General Partner as an Extraordinary Income Item (except to the extent that the transaction results in an offsetting item of expense or deduction to the Partnership or in items that are specially allocated pursuant to Sections 6.01(c) and 6.01(d)). The General Partner may determine, in its sole and absolute discretion, that all or a portion of any extraordinary expenditures from non-recurring events are to be treated for purposes of this Article XI as extraordinary expenditures (the *Extraordinary Expenditures*), including: (A) any distribution or other payment (including a redemption payment) to a Partner, (B) the purchase price or other cost of acquiring any asset, (C) any other non-recurring expenditure of the Partnership, (D) items that would be considered extraordinary items under U.S. generally accepted accounting principles and (E) expenses, damages or costs attributable to extraordinary events affecting the Partnership (including actual, pending or threatened litigation). The General Partner may, in its sole and absolute discretion, establish one or more separate accounts for part or all of the after tax-portion of Extraordinary Income Items and Extraordinary Expenditures (each, an *Extraordinary Account*), which shall be maintained separately from the Capital Account of each Founding/Working Partner or REU Partner, on *Schedule 5.01*; *provided*, *however*, that the General Partner shall not deduct any Extraordinary Expenditure from any Extraordinary Account to the extent that doing so would result in a negative balance in such Extraordinary Account. To the extent that an item is treated as an Extraordinary Income Item or Extraordinary Expenditure, that item shall not directly or indirectly be included in the computation of the Partnership s net income, gain, loss or deduction.

(b) Each Founding/Working Partner and each REU Partner shall have an Article XI term (the *Article XI Term*) with respect to each Unit held by such Partner and each Extraordinary Account. An Article XI Term of a Partner for any Extraordinary Account with respect to a Unit shall commence on the later of the date on which such Partner acquires such Unit or the date on which such Extraordinary Account is first created and ending on the date such Partner becomes a Terminated or Bankrupt Partner.

(c) A Terminated or Bankrupt Founding/Working Partner or REU Partner will receive a payment from each Extraordinary Account for each Unit held by such Partner on the date such Partner becomes a Terminated or Bankrupt Partner equal to the sum of: (i) the balance in each Extraordinary Account, (ii) the Extraordinary Percentage Interest in the Partnership represented by such Unit at the time such Partner becomes a Terminated or Bankrupt Partner and (iii) such Partner s Vested Percentage with respect to such Extraordinary Account for such Unit.

(d) For purposes of this Article XI:

(i) *Vested Percentage* shall mean the amount equal to with respect to any Founding/Working Partner or REU Partner, 0% until (i) (A) such Partner s Article XI Term with respect to such Extraordinary Account class for the Unit equals three (3) years or (B) with respect to a Founding/Working Partner holder of Grant Units only, the later of clause (A) or the continuous employment of such Founding/Working Partner for his, her or its Term of Employment (as defined in such Founding/Working Partner s employment agreement with such Person, if any, entered into in connection with the

Table of Contents

issuance of the Matching Grant Units but excluding any automatic renewals thereof) (the later of the date specified in clause (A) or (B) being the *Initial Vesting Date*), (ii) 30% as of the Initial Vesting Date and increasing by 10% on each yearly anniversary of such date until such Partner s Vested Percentage for such Extraordinary Account for such Unit equals 100%; *provided* that the General Partner in its sole and absolute discretion may accelerate the vesting of a Founding/Working Partner s or REU Partner s Extraordinary Account and may accelerate the distribution of such vested amounts.

(ii) At any time of determination, *Extraordinary Percentage Interest* shall mean the amount equal to with respect to any Founding/Working Partner or REU Partner, the percentage calculated by dividing the number of Units (including Hypothetical Units treated as being outstanding) held by such Partner by the number of Units (including Hypothetical Units treated as being outstanding) of the Partnership then outstanding. Such payments will be made in up to five (5) equal annual installments, as determined by the General Partner, commencing within one (1) year of the date on which a Founding/Working Partner or an REU Partner, as the case may be, becomes a Terminated or Bankrupt Partner; *provided* that the Terminated or Bankrupt Partner has not violated its Partner Obligations or engaged in any Competitive Activity, prior to the date such payments are completed, and shall be subject to prepayment (including payment prior to the Termination of a Partner) at the sole and absolute discretion of the General Partner at any time.

(iii) Upon the Termination of any Founding/Working Partner or REU Partner, there shall be treated as issued to Cantor a number of Founding/Working Partner Units or REU Partner Units, as the case may be (the *Hypothetical Units*), equal to the product of (1) the number of Units held by such Partner immediately prior to such Termination and (2) 100% minus such Partner s Vested Percentage at the time of such Termination; *provided* that such Partner s Vested Percentage shall be adjusted (but not below zero (0)) to reflect the portion of the Vested Percentage that is actually paid to such Partner in connection with its Termination.

(e) Nothing in this Article XI shall affect the amount of money or property distributable to a Partner upon the liquidation of the Partnership.

(f) Notwithstanding anything to the contrary contained herein or otherwise, the General Partner is authorized (upon the approval of the Exchangeable Limited Partners (by affirmative vote of a Majority in Interest)) to amend this Agreement without the consent of the Limited Partners to the extent reasonably necessary to carry out the purposes of this Article XI.

ARTICLE XII

FOUNDING PARTNERS, WORKING PARTNERS AND REU PARTNERS

SECTION 12.01. *Units*. (a) *General*.

(i) *Grant Units*. Grant Units shall represent Founding/Working Partner Interests in the Partnership. Except as specifically provided to the contrary herein or in the agreements or other written materials executed by the General Partner relating to the grant of any Grant Units, it is intended that, for all purposes under this Agreement, Grant Units and the holders thereof shall have the same rights, privileges and obligations and shall be subject to the same restrictions, as High Distribution Units and the holders thereof; *provided*, *however*, that subject to the other provisions of this Agreement, the Partnership may issue Grant Units and create a Grant Tax Payment Account with other rights and limitations (including performance criteria, earnings limitations, and vesting requirements), upon the written consent of the General Partner and the holders of such Units. Any such rights and limitations shall be taken into account in applying the provisions of this Agreement.

(ii) *Matching Grant Units*. Matching Grant Units shall represent Founding/Working Partner Interests in the Partnership. Matching Grant Units may be issued, at the sole and absolute discretion of the General Partner, in connection with the purchase of Units by any Partner and in such amounts that

Table of Contents

the General Partner shall determine in its sole and absolute discretion. Except as specifically provided to the contrary herein or as in the agreements or other written materials executed by the General Partner relating to the grant of any Matching Grant Units, it is intended that, for all purposes under this Agreement, Matching Grant Units and the holders thereof shall have the same rights, privileges, and obligations and shall be subject to the same restrictions, as High Distribution Units and the holders thereof; *provided*, *however*, that subject to the other provisions of this Agreement, the Partnership may issue Matching Grant Units and create a Matching Grant Tax Payment Account with other rights and limitations (including performance criteria, earnings limitations, and vesting requirements), upon the written consent of the General Partner and the holders of such Units. Any such rights and limitations shall be taken into account in applying the provisions of the Agreement.

(iii) *High Distribution Units*. High Distribution Units shall represent Founding/Working Partner Interests in the Partnership.

(iv) *REUs*. REUs shall represent REU Interests in the Partnership.

(b) *High Distribution II Units.* (i) Except as otherwise provided in this Section 12.01(b) or elsewhere in this Agreement, holders of High Distribution II Units shall have the same rights, privileges, and obligations as, and shall be subject to the same restrictions as, High Distribution Units.

(ii) The Partnership shall maintain an HDII Account with respect to each holder of High Distribution II Units. The HDII Account shall initially be equal to the amount per Unit mutually agreed by the Founding/Working Partner and the General Partner upon the issuance of any High Distribution II Units, subject to Section 12.01(b)(ix) and shall be adjusted as hereinafter provided. High Distribution II Units held as a result of modification of High Distribution Units shall, solely for purposes of this Section 12.01(b), be treated as issued on the date of such modification, except that such Units shall be treated as having been held by such Founding/Working Partner since the date the High Distribution Units were originally purchased for purposes of determining the amount distributable to a holder of High Distribution II Units pursuant to Section 12.01(b)(viii).

(A) Each HDII Account shall be reduced, but not below zero (0), by (x) any cash contributed to the Partnership by a holder of High Distribution II Units and designated as an HDII Contribution or (y) any reduction in distributions to such Founding/Working Partner pursuant to Section 12.01(b)(v), 12.01(b)(vi) or 12.01(b)(viii) (all amounts referred to in (x) and (y) shall be defined as *HDII Contributions*).

(B) In the event that a Loss is allocated with respect to a Founding/Working Partner s High Distribution II Units during any period, such Founding/Working Partner s HDII Account shall be increased by the smaller of (x) the amount of such Loss and (y) the amount of such Founding/Working Partner s HDII Special Allocation.

(iii) Pursuant to Section 2(k) of *Exhibit D* to this Agreement, a portion of the items of loss or deduction of the Partnership for each period shall specifically be allocated to each Founding/Working Partner holding High Distribution II Units with a positive HDII Account. Such portion (the *HDII Special Allocation*) shall be equal to the product of (1) the balance of such HDII Account and (2) the rate mutually agreed by the Founding/Working Partner and the General Partner from time to time (the *HDII Special Allocation Rate*). Such HDII Special Allocation Rate may be fixed or established by formula.

(iv) A Founding/Working Partner s HDII Account for each Unit must periodically be reduced to the level specified in a schedule mutually agreed by the Founding/Working Partner and the General Partner. If no schedule is agreed, the HDII Account shall be reduced by an amount sufficient so that the HDII Account is (i) no greater than 75% of its original value on the first December 15th after such Unit s issuance; (ii) no greater than 50% of its original value on the second December 15th after such Unit s issuance; (iii) no greater than 25% of its original value on the third December 15th after such Unit s issuance; and (iv) zero (0) on the fourth December 15th after such Unit s issuance; *provided*,

Table of Contents

however, that any such December 15th date may be extended at the sole and absolute discretion of the General Partner to any later date in December of such year. To the extent that any HDII Account exceeds the relevant level set forth in the schedule or, if no schedule is agreed upon, the relevant level specified in the preceding sentence, such Founding/Working Partner s HDII Account shall be reduced through adjustments to distributions pursuant to Section 12.01(b)(v) or 12.01(b)(vi). Reductions required to be made pursuant to this Section 12.01(b)(iv) shall be referred to as an *HDII Account Reduction Obligation*.

(v) Amounts distributable to any Founding/Working Partner holding High Distribution II Units for any period shall be reduced, but not below zero (0), by the amount of any HDII Account Reduction Obligation that has not previously been satisfied. To the extent that any HDII Account Reduction Obligation for any date exceeds the amount, if any, that would otherwise be distributed to such Founding/Working Partner within five (5) days of such date, after application of any withholding tax or other payments on behalf of such Founding/Working Partner pursuant to Section 5.09, such Founding/Working Partner shall be required to make additional HDII Contributions to the Partnership pursuant to Section 12.01(b) in an amount equal to such excess.

(vi) The General Partner may reduce any distribution otherwise payable to any holder of High Distribution II Units by an amount not to exceed the HDII Account Reduction Obligation for any date during the fiscal year that includes such distribution. Such reduction shall be made after application of Section 12.01(b)(iv). In applying this Section 12.01(b)(vi), the General Partner may deem such Founding/Working Partner to have elected to receive a distribution equal to 100% of the Estimated Income allocable to such Founding/Working Partner for such period.

(vii) Notwithstanding anything to the contrary contained in this Agreement, no additional Units shall be issued to a Founding/Working Partner holding High Distribution II Units as a result of any HDII Contribution occurring by way of cash contributions and reductions in amounts distributable to such Founding/Working Partner under Section 12.01(b)(v), 12.01(b)(vi) or 12.01(b)(viii).

(viii) In the event of the redemption of all or a portion of a Founding/Working Partner s High Distribution II Units pursuant to Section 3.03, 9.02 or 12.05 or otherwise in accordance with this Agreement, the amount distributable to a Founding/Working Partner shall be reduced, but not below zero (0), by the HDII Account. In the event of the redemption of all of a Founding/Working Partner s High Distribution II Units, the Founding/Working Partner s HDII Account shall become immediately payable to the Partnership in full. In the event of the redemption of all or a portion of a Founding Partner s High Distribution II Units, (a) an amount equal to the Founding Partner s CFLP HDII Account with respect to such Units shall be paid to Cantor rather than being distributed to such Founding Partner on such date with respect to such Units and (b) if such High Distribution II Units called for redemption are purchased by Cantor pursuant to Section 12.02 or 12.03, the amount payable by Cantor to such Founding Partner for such Units shall be reduced by an amount equal to the Founding Partner s CFLP HDII Account with respect to such Unit not theretofore paid by the Partner pursuant to this Section 12.01(b).

(ix) Any High Distribution II Unit that is designated as a Founding Partner Unit shall continue to have a CFLP HDII Account, CFLP HDII Special Allocation Rate and CFLP HDII Account Reduction Obligation, and the holder of such High Distribution II Unit shall satisfy its obligations to Cantor relating to such Unit by the application of any distributions that would be subject to reduction and any contributions that would be made by such holder under this Section 12.01(b), were such holder s High Distribution II Unit to have an HDII Account, a HDII Special Allocation Rate and an HDII Account Reduction Obligation, equal to those it has to Cantor (and, in the case of any loss specially allocated to such holder by the Partnership reflecting the HDII Account Reduction Obligation it would have, an equivalent amount of income shall be allocated by the Partnership to Cantor). Any payment by a Partner to Cantor in respect of its CFLP HDII Account Reduction Obligation pursuant to this paragraph shall result in an increase in such Partner s Capital Account in the Partnership.

Table of Contents

(x) Notwithstanding anything to the contrary contained in this Agreement, any Founding/Working Partner holding High Distribution II Units shall be required to make additional HDII Contributions to the Partnership by way of cash contributions and by reductions in amounts distributable to such Partner as provided in Sections 12.01(b)(v), 12.01(b)(vi) and 12.01(b)(viii). Such contributions must be made within five days of the General Partner notifying such High Distribution II Unitholder of its obligation hereunder. In the event that the required contribution is not made, the General Partner may, in its sole and absolute discretion, redeem all or a portion of such Founding/Working Partner s High Distribution II Units, declare the High Distribution Unit II Unitholder to be in default under this Agreement, or take any other action available to it at law or in equity to enforce the obligation described in this Section 12.01(b)(x), including, without limitation, seeking enforcement of such obligation in any forum and in any jurisdiction (and each High Distribution II Unitholder hereby irrevocably submits to the jurisdiction of any such forum or jurisdiction), notwithstanding the jurisdictional provisions contained in Section 13.04 hereof, including the payment of legal fees and expenses related thereto. Any Partner not making a required contribution shall pay interest to the Partnership at a rate determined by the General Partner, and such interest payments shall not be treated as capital contributions hereunder or as part of such Partner s Capital Account.

(c) *High Distribution III Units*. High Distribution III Units and holders of High Distribution III Units shall have the same rights, privileges and obligations as, and shall be subject to the same restrictions as, High Distribution II Units and holders of High Distribution II Units, and High Distribution III Units that are Founding Partner Units shall be treated in the same manner as High Distribution II Units that are Founding Partner Units (including the obligation of a holder of High Distribution III Units to Cantor pursuant to Section 12.01(b)(ix)); *provided* that High Distribution III Units shall always have a Base Amount of zero (0) and shall have an HDIII Account in lieu of an HDII Account, which Account shall be subject to mandatory annual reduction on each anniversary of the date of issuance of the applicable High Distribution III Unit (or on such other date as the General Partner, acting in its sole and absolute discretion, in writing shall establish) (any such date, a *Reduction Date*) to such amount as specified on a schedule mutually agreed by the Founding/Working Partner and the General Partner, acting in its sole and absolute discretion, or if no schedule shall be agreed upon, to not greater than 5/6 of the original HDIII Account on the first Reduction Date; not greater than 2/3 of the original HDIII Account on the second Reduction Date; not greater than 1/2 of the original HDIII Account on the third Reduction Date; not greater than 1/3 of the original HDIII Account on the fourth Reduction Date; not greater than 1/6 of the original HDIII Account on the fifth Reduction Date; and zero (0) on the sixth Reduction Date. Reductions required to be made pursuant to this Section 12.01(c) shall be referred to as an *HDIII Account Reduction Obligation*. Each High Distribution III Unit shall have a HDIII Special Allocation Rate and HDIII Account Reduction Obligation in lieu of a HDII Special Allocation Rate and HDII Account Reduction Obligation. Until such time as a holder of High Distribution III Units shall have reduced his, her or its HDIII Account to zero (0), the High Distribution III Units held by such Founding/Working Partner shall not have any of the voting rights provided to Limited Partners in this Agreement.

(d) *High Distribution IV Units*. Holders of High Distribution IV Units shall have the same rights, privileges and obligations as, and shall be subject to the same restrictions as, holders of High Distribution Units; *provided* that High Distribution IV Units shall always have a Base Amount of zero (0); *provided*, *further*, that High Distribution IV Units that are designated as Founding Partner Units shall have a HDIV Tax Payment Account in an amount equal to the Cantor HDIV Tax Payment Account of the limited partner units in Cantor that were redeemed in exchange for such High Distribution IV Units in the Cantor Redemption, and a holder of High Distribution IV Units shall be entitled to receive payments from the Partnership with respect to such HDIV Tax Payment Account in amounts, at times and on terms equivalent to what would have applied to such Founding/Working Partner holding High Distribution IV Units had such Founding/Working Partner holding High Distribution IV Units continued to hold Cantor High Distribution IV Units and not been subject to the Cantor Redemption with any HDIV Tax Payment Account to be subject to payment upon the same terms and conditions as are provided in Section 12.02(g) for a Grant Tax Payment Account.

Table of Contents

SECTION 12.02. *Transfers of Founding Partner Interests, Working Partner Interests and REU Interests*. (a) *Effect of Termination or Bankruptcy of Founding/Working Partners or REU Partners*. (i) *Termination and Bankruptcy of Founding Partners*.

(A) Except as otherwise agreed to by each of the General Partner, the Exchangeable Limited Partners (by Majority in Interest) and the applicable Founding Partner or as otherwise expressly provided herein, subject to the right of first refusal provided in Section 12.02(a)(i)(B), upon any Termination or Bankruptcy of a Founding Partner (or the Termination or Bankruptcy of the beneficial owner of the stock or other ownership interest of any such Founding Partner that is a corporation or other entity), (1) the portion of the Founding Partner Interest held by such Partner that shall have become exchangeable pursuant to Section 8.01(b)(ii), if any, shall automatically be Exchanged with BGC Partners for BGC Partners Class A Common Stock on the terms set forth in Sections 8.01(f), 8.01(g) and 8.01(h); *provided* that the General Partner shall determine the Exchange Effective Date (which date shall be on the date of such Termination or Bankruptcy or as promptly as practicable thereafter and which may be later than the Calculation Date); and (2) the portion of the Founding Partner Interest that shall not have become exchangeable pursuant to Section 8.01(b)(ii) shall be purchased or redeemed from such Founding Partner or his, her or its Personal Representative by the Partnership, and such Founding Partner or his, her or its Personal Representative shall sell to the Partnership all of the Founding Partner Interest held by such Founding Partner at the time of Termination or Bankruptcy on the terms and conditions set forth in Section 12.02. With the consent of Cantor and the General Partner, the Partnership may assign by written instrument its right to purchase such Founding Partner Interest pursuant to this Section 12.02 to another Partner.

(B) Prior to any purchase of a Founding Partner Interest by the Partnership pursuant to this Article XII, including Section 12.02(a)(i)(A), the Partnership shall provide written notice to Cantor of such purchase as promptly as practicable, and Cantor shall have a right of first refusal to purchase (or to assign to any member of the Cantor Group the right to purchase), in lieu of a purchase by the Partnership, all or a portion of such Founding Partner Interest that otherwise would have been purchased by the Partnership pursuant to Section 12.02(a)(i)(A) (it being understood that such purchase price shall be proportionately reduced to the extent that only a portion of the Founding Partner Interest is being acquired). The price to be paid by Cantor (or the other member of the Cantor Group acquiring such Founding Partner Interest, as the case may be) for the purchase of a Founding Partner Interest pursuant to this Section 12.02(a)(i)(B) shall be equal to the lesser of (1) the amount that the Partnership would be required to pay to redeem or purchase such Founding Partner Interest were the Partnership to redeem or purchase such Founding Partner Interest pursuant to the provisions of this Section 12.02 (assuming such Founding Partner Interest were a Working Partner Interest) and (2) the amount equal to (x) the number of Units underlying such Founding Partner Interest, *multiplied by* (y) the Exchange Ratio as of the date of such purchase, *multiplied by* (z) the Current Market Price as of the date of such purchase. Cantor (or the other member of the Cantor Group acquiring such Founding Partner Interest, as the case may be) may pay for such price using cash, Publicly Traded Shares (valued at the average of the closing prices of such shares (as reported by the Nasdaq Global Market or any other national securities exchange or quotation system on which such shares are then listed or quoted) during the 10-trading-day period immediately preceding each payment (or by such other fair and reasonable pricing method as may be selected by Cantor)), or other property valued at its then-fair market value, as determined by Cantor in its sole and absolute discretion, or a combination of the foregoing. Notwithstanding anything to the contrary set forth in this Agreement, the Parties agree that, if Cantor (or the other member of the Cantor Group acquiring such Founding Partner Interest, as the case may be) shall purchase a Founding Partner Interest pursuant to this Section 12.02(a)(i)(B) at a price equal to clause (2) above, neither Cantor, any member of the Cantor Group nor the Partnership or any other Person be obligated to pay the holder of such Founding Partner Interest any amount in excess of the amount set forth in clause

Table of Contents

(2) above. Cantor shall respond as promptly as practicable to the Partnership after receipt of the written notice provided by the Partnership as to whether it is electing to exercise its right of first refusal pursuant to this Section 12.02(a)(i)(B) with respect to a Founding Partner Interest. Pursuant to Section 4.03(c)(iii), any Founding Partner Interest acquired by a Cantor Company pursuant to this Section 12.02(a)(i)(B) shall cause such Founding Partner Interest and related Units (or portion thereof) to automatically be designated as an Exchangeable Limited Partnership Interest and the related Units (or portion thereof) shall automatically be designated as Exchangeable Limited Partnership Units. The Cantor Company acquiring such Interest shall have all rights and obligations of a holder of Exchangeable Limited Partnership Interest with respect to such Interest, and such Exchangeable Limited Partnership Interest shall not be subject to the redemption provisions of this Article XII.

(ii) *Termination and Bankruptcy of Working Partners*.

(A) Except as otherwise agreed to by each of the General Partner and the applicable Working Partner or as otherwise expressly provided herein, upon any Termination or Bankruptcy of a Working Partner (or the Termination or Bankruptcy of the beneficial owner of the stock or other ownership interest of any such Working Partner that is a corporation or other entity), (1) the portion of the Working Partner Interest held by such Partner that shall have become exchangeable pursuant to Section 8.01(b)(iv), if any, shall automatically be Exchanged with BGC Partners for BGC Partners Class A Common Stock on the terms set forth in Sections 8.01(f), 8.01(g) and 8.01(h); *provided* that the General Partner shall determine the Exchange Effective Date (which date shall be on the date of such Termination or Bankruptcy or as promptly as practicable thereafter and which may be later than the Calculation Date); and (2) the portion of the Working Partner Interest that shall not have become exchangeable pursuant to Section 8.01(b)(iv) shall be purchased or redeemed from such Working Partner by the Partnership, or his, her or its Personal Representative, and such Working Partner, or his, her or its Personal Representative shall sell to the Partnership, all of the Working Partner Interest held by such Working Partner at the time of Termination or Bankruptcy on the terms and conditions set forth in Section 12.02. With the consent of the General Partner, and subject to the right of first refusal provided in Section 12.02(a)(ii)(B), the Partnership may assign by written instrument its right to purchase such Working Partner Interest pursuant to this Section 12.02 to another Partner.

(B) If the Partnership elects to assign its purchase rights with respect to any Working Partner Interest to another Partner pursuant to Section 12.02(a)(ii)(A), the Partnership shall provide written notice to Cantor of such election as promptly as practicable, and Cantor shall have a right of first refusal to purchase (or to assign to any member of the Cantor Group the right to purchase), in lieu of a purchase by such other Partner, all or a portion of such Interest, on the same terms that such Partner would have a right to purchase such Interest. Cantor shall respond as promptly as practicable to the Partnership after receipt of the written notice provided by the Partnership as to whether it is electing to exercise its right of first refusal provided in this Section 12.02(a)(ii)(B) with respect to such Working Partner Interest.

(iii) *Termination and Bankruptcy of REU Partners*.

(A) Except as otherwise agreed to by each of the General Partner and the applicable REU Partner or as otherwise expressly provided herein, upon any Termination or Bankruptcy of an REU Partner (or the Termination or Bankruptcy of the beneficial owner of the stock or other ownership interest of any such REU Partner that is a corporation or other entity), (1) the portion of the REU Interest held by such Partner that shall have become exchangeable pursuant to Section 8.01(b)(iii) shall automatically be Exchanged with BGC Partners for BGC Partners Class A Common Stock on the terms set forth in Sections 8.01(f), 8.01(g) and 8.01(h); *provided* that the General Partner shall determine the Exchange Effective Date (which date shall be on the date of such Termination or Bankruptcy or as promptly as practicable thereafter and which may be

Table of Contents

later than the Calculation Date); and (2) the portion of the REU Interest held by such Partner that shall not have become exchangeable pursuant to Section 8.01(b)(iii) shall be purchased and redeemed by the Partnership, and such REU Partner, or his, her or its Personal Representative shall sell to the Partnership, all of such portion of the REU Interest on the terms and conditions set forth in Section 12.02. With the consent of the General Partner, and subject to the right of first refusal provided in Section 12.02(a)(iii)(B), the Partnership may assign by written instrument its right to purchase such portion of the REU Interest pursuant to this Section 12.02 to another Partner.

(B) If the Partnership elects to assign its purchase rights with respect to any REU Interest to another Partner pursuant to Section 12.02(a)(iii)(A), the Partnership shall provide written notice to Cantor of such election as promptly as practicable, and Cantor shall have a right of first refusal to purchase (or to assign to any member of the Cantor Group the right to purchase), in lieu of a purchase by such other Partner, all or a portion of such Interest, on the same terms that such Partner would have a right to purchase such Interest. Cantor shall respond as promptly as practicable to the Partnership after receipt of the written notice provided by the Partnership as to whether it is electing to exercise its right of first refusal provided in this Section 12.02(a)(iii)(B) with respect to such REU Interest.

(iv) *Other*.

(A) Solely for purposes of this Section 12.02, all references to Founding Partners, Working Partners, Founding/Working Partners or REU Partners shall include any Terminated or Bankrupt former Founding Partners, Working Partners, Founding/Working Partners or REU Partners, unless the context clearly indicates otherwise.

(B) Each Founding/Working Partner and each REU Partner acknowledges and recognizes that, during the period that such Founding/Working Partner or REU Partner, as the case may be, is a Partner, he, she or it (or their beneficial owner) will be privy to trade secrets, client secrets and confidential proprietary information critical to the success of the business of the Partnership and the Affiliated Entities and will have an extraordinary opportunity to participate in the growth of the business of the Partnership. Each Founding/Working Partner and each REU Partner also agrees that certain actions taken by the Founding/Working Partner or REU Partner, as the case may be, including, violating its Partner Obligations or engaging in a Competitive Activity while a Founding/Working Partner or REU Partner, as the case may be, is a Partner or otherwise during the Restricted Period would harm the Partnership or the Affiliated Entities. Accordingly, in consideration of being afforded the opportunity to become a Partner, each Founding/Working Partner and each REU Partner agrees to the economic terms set forth in this Section 12.02.

(C) Each Founding/Working Partner and each REU acknowledges that this Section 12.02 is intended solely to reflect the economic agreement between the Founding/Working Partners and the REU Partners, as the case may be, with respect to amounts payable upon such Partner s Bankruptcy or Termination. Nothing in this Section 12.02 shall be considered or interpreted as restricting the ability of a former Partner in any way from engaging in any Competitive Activity, or in other employment of any nature whatsoever, subject in either case to the restrictions elsewhere in this Agreement (including Sections 3.03 and 13.06). The provisions of this Section 12.02 shall be in addition to, and not in substitution for, any other provision of this Agreement or any agreement to which the Founding/Working Partner or REU Partner, as the case may be, is subject pursuant to the terms of any other agreement with the Partnership or any Affiliated Entity and shall not abrogate any provisions contained in this Agreement or any other such agreement.

(D) Each Founding/Working Partner and each REU Partner consents to the economic terms of this Section 12.02 and agrees that, subject to Section 2.09(c), a Founding/Working Partner and an REU Partner, as the case may be, who does not engage in a Competitive Activity or otherwise

Table of Contents

breach a Partner Obligation during the Restricted Period shall be entitled, subject to any other provision of this Agreement (including Section 2.09(c)) and any other remedies at law or in equity for a breach by such Partner of any other provision of this Agreement, to all amounts payable pursuant to Sections 12.02(b) and 12.02(c). Subject to Sections 2.09(c) and 3.03, a Founding/Working Partner or an REU Partner, as the case may be, who chooses to engage, or engages, in a Competitive Activity or otherwise breaches a Partner Obligation shall be entitled to receive all amounts payable pursuant to Section 12.02(b) and shall be entitled to receive Additional Amounts as are provided in Section 12.02(c) to the extent that such amounts are payable prior to the date on which such Partner first participates in a Competitive Activity or otherwise breaches a Partner Obligation. Each Founding/Working Partner and each REU Partner agrees that the amounts that such a Founding/Working Partner or REU Partner, as the case may be, will receive upon withdrawing from the Partnership represent full and complete payment in liquidation of such Partner s interest in the property of the Partnership, taking into account such Partner s share of Partnership liabilities. Such amount will not include any payment for a Founding/Working Partner s interest or an REU Partner s interest, as the case may be, in the unrealized receivables or goodwill of the Partnership.

(b) *Payment of Base Amount*. (i) Except as otherwise expressly set forth herein, the purchase price to be paid by the Partnership (or the Partner to which the purchase right had been assigned, as applicable) for the Founding/Working Partner Interest or the REU Interest, as the case may be, purchased or redeemed pursuant to Section 12.02(a) shall equal the Base Amount of such Founding/Working Partner Interest or REU Interest, as the case may be, as of the Calculation Date; *provided* that the Partnership may, in the sole and absolute discretion of the General Partner, deduct therefrom the Adjustment Amount in whole or in part.

(ii) If (A) a Founding/Working Partner (other than a holder of Grant Units or Matching Grant Units) or REU Partner, as the case may be, shall become a Terminated or Bankrupt Partner, or (B) a Founding/Working Partner holding Grant Units or Matching Grant Units shall become a Terminated Founding/Working Partner, in each case of clause (A) or (B), such Partner shall receive the applicable Base Amount at such time as the Partnership shall elect to tender payment, but in no event later than 90 days after the date of Termination or Bankruptcy of such Partner, as applicable, or at such later date as may soonest be practicable in view of the administration of the estate of a deceased or Bankrupt Founding/Working Partner or REU Partner, as the case may be (such date referred to herein as the *Payment Date*).

(iii) The *Base Amount* means: (1) with respect to any Founding Partner Unit received pursuant to the Cantor Redemption or any REU Interest, an amount equal to zero; and (2) with respect to all of the Working Partner Interest held by a Terminated or Bankrupt Working Partner on the date such Working Partner becomes a Terminated or Bankrupt Working Partner, an amount equal to the smallest of:

(A) the Working Partner s Adjusted Capital Account for the entire Interest held by such Working Partner less $50,000;

(B) three quarters (3/4) of the Working Partner s Adjusted Capital Account for all Units held by such Working Partner (one third (1/3) with respect to Units which are Under Three-Year Units); and the amount equal to: (A) with respect to all Pre Five Year Units held by such Working Partner, the Capital Return Account; plus (B) with respect to all Five Year Units held by such Working Partner, the Capital Return Account plus one quarter (1/4) of the Adjusted Capital Account Surplus with respect to such Units, less any Excess Prior Distributions with respect to such Units (but not in excess of the Adjusted Capital Account with respect to such Units); plus (C) with respect to all Ten Year Units held by such Working Partner, the Capital Return Account plus one third (1/3) of the Adjusted Capital Account Surplus with respect to such Units, less any Excess Prior Distributions with respect to such Units (but not in excess of the Adjusted Capital Account with respect to such Units).

Table of Contents

In no event shall the Base Amount be negative. For purposes of the calculation of all amounts under this Section 12.02(b)(iii), all adjustments and allocations pursuant to any other section of this Agreement shall be deemed made *pro rata* with respect to all Units held by a Partner.

(iv) Any Adjusted Capital Account with respect to the Founding Partner Units, REUs, Grant Units, Matching Grant Units, High Distribution III Units and High Distribution IV Units as of the Calculation Date (after any reduction for any Adjustment Amount) shall be paid as Additional Amounts in accordance with and subject to the terms of Section 12.02(c).

(v) In the event of the redemption of all or a portion of a Founding/Working Partner s High Distribution II Units, (a) an amount equal to the Founding/Working Partner s CFLP HDII Account with respect to such Units shall be paid to Cantor rather than being distributed to such Founding/Working Partner on such date with respect to such Units or (b) if such High Distribution II Units called for redemption are purchased by Cantor pursuant to Section 12.02(a)(iv)(C) or 12.03(a)(5), the amount payable by Cantor to such Founding/Working Partner for such Units shall be reduced by an amount equal to the Founding/Working Partner s CFLP HDII Account with respect to such Units.

(vi) Solely for purposes of making the calculation required by this Section 12.02, the General Partner may to the extent it deems appropriate include a Founding/Working Partner s HDII Account in its Adjusted Capital Account.

(c) *Payment of Additional Amounts*. (i) On each of the first, second, third and fourth anniversaries of the Payment Date (or at such earlier time as is determined by the General Partner in its sole and absolute discretion), a Founding/Working Partner or REU Partner, as the case may be, will be entitled to receive payment of one fourth (1/4) of such Partner s Additional Amounts plus an amount equal to interest determined pursuant to Section 12.02(c)(iv); *provided* that such Partner (or in the case of a corporate or other entity Partner, the majority owner of such Partner) has not engaged in any Competitive Activity or otherwise breached a Partner Obligation prior to the date such payment is due.

(ii) A Partner s *Additional Amounts* shall mean the amount equal to the excess, if any, of (A) such Partner s Adjusted Capital Account with respect to such Partner s entire Interest held by such Partner (which may be reduced in whole or in part, in the sole and absolute discretion of the General Partner, by the Adjustment Amount), *minus* (B) the amount, if any, payable to such Partner pursuant to Section 12.02(b)(i).

(iii) For purposes of this Agreement, a Founding/Working Partner or REU Partner, as the case may be, shall be considered to have engaged in a competitive activity if such Partner (including by or through his, her or its Affiliates) during the Restricted Period (collectively, clauses (A) through (E), the *Competitive Activities*):

(A) directly or indirectly, or by action in concert with others, solicits, induces, or influences, or attempts to solicit, induce or influence, any other partner, employee or consultant of Cantor, the Partnership or any member of the Cantor Group or Affiliated Entity to terminate their employment or other business arrangements with Cantor, the Partnership or any member of the Cantor Group or Affiliated Entity, or to engage in any Competing Business or hires, employs, engages (including as a consultant or partner) or otherwise enters into a Competing Business with any such person;

(B) solicits any of the customers of Cantor, the Partnership or any member of the Cantor Group or Affiliated Entity (or any of their employees), induces such customers or their employees to reduce their volume of business with, terminate their relationship with or otherwise adversely affect their relationship with, Cantor, the Partnership or any member of the Cantor Group or Affiliated Entity;

(C) does business with any person who was a customer of Cantor, the Partnership or any member of the Cantor Group or Affiliated Entity during the twelve (12) month period prior to such Partner becoming a Terminated or Bankrupt Partner if such business would constitute a Competing Business;

Table of Contents

(D) directly or indirectly engages in, represents in any way, or is connected with, any Competing Business, directly competing with the business of Cantor, the Partnership or any member of the Cantor Group or Affiliated Entity, whether such engagement shall be an as officer, director, owner, employee, partner, consultant, affiliate or other participant in any Competing Business; or

(E) assists others in engaging in any Competing Business in the manner described in the foregoing clause (D).

Competing Business shall mean an activity that (w) involves the development and operations of electronic trading systems, (x) involves the conduct of the wholesale or institutional brokerage business, (y) consists of marketing, manipulating or distributing financial price information of a type supplied by Cantor, the Partnership or any member of the Cantor Group or Affiliated Entity to information distribution services or (z) competes with any other business conducted by Cantor, the Partnership, any member of the Cantor Group or Affiliated Entity or eSpeed if such business was first engaged in by Cantor, the Partnership, any member of the Cantor Group or Affiliated Entity or eSpeed, or Cantor, the Partnership, any member of the Cantor Group or Affiliated Entity or eSpeed took substantial steps in anticipation of commencing such business and prior to the date on which such Founding/Working Partner or REU Partner, as the case may be, ceases to be a Founding/Working Partner or REU Partner, as the case may be.

(iv) Each payment of the Additional Amounts pursuant to this Section 12.02(c) shall bear interest at the AFR from the Payment Date until paid.

(v) The General Partner may revise the terms of this Section 12.02(c) with respect to any or all Founding/Working Partner Units or REUs, as the case may be; *provided*, *however*, that no such amendment may (i) lengthen the term of the Restricted Period or the payout period or (ii) otherwise expand the scope of this Section 12.02(c), unless, in each such case, it is effected by an amendment to this Agreement made pursuant to Section 13.01 or by the terms of another agreement between the Partnership and the holder of the affected Founding/Working Partner Units or REUs, as the case may be. The Partnership and the Partners believe that the provisions of this Section 12.02(c) are reasonable in scope and duration and are necessary to protect the interests of the Partnership and the Affiliated Entities.

(vi) If any beneficial owner of the stock of a corporate Founding/Working Partner or REU Partner, as the case may be, any partner of any general or limited partnership that is a Founding/Working Partner or an REU Partner, as the case may be, any member of a limited liability company that is a Founding/Working Partner or an REU Partner, as the case may be, or the grantor, trustee or beneficiary of any trust that is a Founding/Working Partner or an REU Partner, as the case may be (such beneficial owner, partner, member, grantor, trustee or beneficiary, a *Competing Owner*), directly or indirectly engages in any Competitive Activity or otherwise breaches a Partner Obligation (or takes action that would constitute a Competitive Activity or other breach of a Partner Obligation if such person were a Founding/Working Partner or REU Partner, as the case may be), the Partnership shall have the right to redeem a number of the Founding/Working Partner Units or REUs, as the case may be, of such Partner equal to the product of the maximum percentage of the ownership of such Partner (by vote or value in the case of a corporation, by profits or capital interest in the case of a partnership or limited liability company or by the greater of the portion of such trust as to which the Competing Owner is a grantor or beneficiary as reasonably determined by the General Partner) held by the Competing Owner at any time during the twelve (12) month period preceding the breach and the number of Founding/Working Partner Units or REUs, as the case may be, held by such entity Partner at the time the Competitive Activity or other breach of a Partner Obligation commences. The foregoing shall apply with such changes as the General Partner deems appropriate to reflect the intent of the foregoing with respect to any Founding/Working Partner or REU Partner, as the case may be, that is an entity not specifically identified above. Anything to the contrary in Section 9.02 notwithstanding, the General Partner shall

have the right to redeem such Founding/Working Partner Units or REUs, as the case may be, for a price equal to the Base Amount (which may be $0.00) attributable to such Founding/Working Partner Units or REUs, as the case may be, or, if less, the amount, if any, payable in respect of such Founding/Working Partner Units or REUs, as the case may be, under Section 3.03.

(vii) The General Partner may condition the receipt of any amount payable to a Terminated or Bankrupt Founding/Working Partner or REU Partner, as the case may be, upon the receipt of a certification, in form and substance acceptable to the General Partner, that such former Partner has not engaged in any Competitive Activity or otherwise breached a Partner Obligation. A former Founding/Working Partner or REU Partner, as the case may be, shall be liable for all damages (including any payments of Base Amount or Additional Amounts made as a result of a false certification) resulting from the inaccuracy of any such certification including attorney s fees incurred by the Partnership and shall also be liable for interest at the lesser of nine (9) percentage points above the prime rate as published in the *Wall Street Journal*, Eastern Edition in effect from time to time or the highest rate permitted by law on the amount of any damages owed to the Partnership.

(viii) Notwithstanding anything in this Agreement to the contrary, the Personal Representative of a Founding/Working Partner or REU Partner, as the case may be, who has become a Terminated Partner on account of death shall receive payment of his or her Additional Amounts at the same time such Personal Representative receives payment of such deceased Partner s Base Amount pursuant to Section 4.03; *provided*, *however*, that the Personal Representative of a deceased Founding/Working Partner or REU Partner, as the case may be, shall not be entitled to receive payment of such Additional Amounts if such deceased Partner engaged in a Competitive Activity or otherwise breached a Partner Obligation prior to his or her death.

(d) *Administrative Provisions Regarding this Section 12.02*. (i) Any purchase and sale made pursuant to this Section 12.02 shall be deemed to have occurred automatically and immediately at the time Termination or Bankruptcy occurs with respect to the applicable Founding/Working Partner or REU Partner, as the case may be.

(ii) Immediately upon the Termination or Bankruptcy of (A) a Founding/Working Partner holding High Distribution Units (or of the owner of the equity of an entity owning such Founding/Working Partner Units) or (B) an REU Partner holding REUs (or of the owner of the equity of an entity owning such REUs): (x) the entire legal and beneficial ownership of such Units owned by such Partner shall be automatically vested in the Partnership and such Partner shall cease to be entitled to claim, and hereby waives any such claim effective immediately upon such Termination or Bankruptcy, any status or rights as a Founding/Working Partner or REU Partner, as the case may be, including any right to vote such Units or receive any distribution thereon, and (ii) such former Founding/Working Partner or REU Partner, as the case may be, shall have the status solely of a creditor of the Partnership for payment of the price for such Units so purchased by the Partnership at the price established pursuant to this Agreement.

(iii) In the event that the Partnership shall default in the payment due at the time and in the amount provided for by this Agreement, the former Founding/Working Partner or former REU Partner, as the case may be, to whom such payment is due shall be entitled solely to claim against the Partnership as a creditor and hereby waives any claim for rescission of the subject Founding/Working Partner Unit or REU, as the case may be, sale transaction or any other beneficial or equitable recognition as a Partner of the Partnership.

(iv) All amounts payable for such purchase of Founding/Working Partner Units or REUs, as the case may be, pursuant to Section 12.02 shall be made by the Partnership at its principal office.

(v) Upon tender of all payments due to such Founding/Working Partner or REU Partner, as the case may be, pursuant to this Section 12.02, the Founding/Working Partner or REU Partner, as the case may be, or his, her or its Personal Representative shall deliver to the Partnership the certificate or

Table of Contents

certificates, if any, for the Founding/Working Partner Units or REUs, as the case may be, purchased by the Partnership in form constituting good delivery (including any reasonably requested form of instrument of conveyance or partnership power to the extent not previously supplied pursuant to this Agreement), with all requisite transfer tax stamps, if any, affixed thereto, and such probate, estate or tax certificates or other documents as may be reasonably required by the Partnership to evidence the authority of a Personal Representative and the compliance with any applicable estate and inheritance tax requirements, and any other agreements, documents or instruments specified by the General Partner.

(vi) In no event shall any distribution or payment otherwise payable pursuant to this Section 12.02 be due if and to the extent that the General Partner in its sole and absolute discretion determines in accordance with Section 6.02, that such payment would violate the Act or any other applicable law. If at the time of any payment by the Partnership for Founding/Working Partner Units or REUs, as the case may be, the provision contained in the immediately preceding sentence shall have effect, then the Partnership shall make such payment in the maximum amount that would not violate the Act or any other applicable law, and shall make such further payments, if any, on each 90 day anniversary thereof to the extent that such payments do not violate the Act or any other applicable law, until all obligations for the payment of all amounts due hereunder shall have been paid in full. Any such deferred payments shall bear interest at the AFR.

(e) *Admission of Additional Working Partners and REU Partners*. (i) Additional Working Partners and additional REU Partners may be admitted to the Partnership in accordance with the terms of this Agreement in the sole and absolute discretion of the General Partner.

(ii) The admission of an additional Working Partner or REU Partner pursuant to this Section 12.02(e) shall be effective when the requirements of Section 7.03 are satisfied; *provided* that such additional Working Partner or REU Partner, as the case may be, shall have made a capital contribution to the Partnership, if any, as determined by the General Partner in accordance with the terms of this Agreement and, if required by the Act, an amendment of the Certificate of Limited Partnership shall have been duly filed.

(f) *Post-Termination Payments for Grant Units*. (i) Subject to Section 12.02(f)(ii), following the Termination of a holder of Grant Units, the Partnership (or the appropriate Affiliated Entity) shall pay to such Founding/Working Partner (or his, her or its Personal Representative in the event of the death of such Founding/Working Partner) an amount (the *Post-Termination Payment*) equal to (A) the number of Grant Units issued to such Founding/Working Partner, multiplied by (B) the grant price for such Grant Units on the date of issuance as determined by the General Partner in its discretion and set forth on a schedule; *provided*, *however*, that the obligation to make any Post-Termination Payment shall be cancelled and no such payment shall be made in the event the Partnership is dissolved without reconstitution prior to the date that such Founding/Working Partner holding Grant Units becomes a Terminated Founding/Working Partner.

(ii) The Post-Termination Payment provided in Section 12.02(f)(i) shall be paid in four (4) equal installments on each of the first, second, third and fourth anniversaries of the Payment Date (subject to any delay caused by the administration of the estate of a deceased or Bankrupt Founding/Working Partner); *provided* that (A) such Founding/Working Partner has not violated its Partner Obligations (including engaging in any Competitive Activity) prior to the date such payments are due and the Partnership may condition the receipt of any Post-Termination Payment upon receipt of a certification, in form and substance acceptable to the General Partner, that such former Founding/Working Partner (or in the case of any Grant Units held by a corporate Founding/Working Partner, the majority owner of such Founding/Working Partner) has not violated its Partner Obligations (including engaging in any Competitive Activity) prior to the date such payments are due and (B) except as otherwise determined by the General Partner in its sole and absolute discretion, such Founding/Working Partner shall have been continuously employed by the Opcos or their Subsidiaries or the Affiliated Entities for the full term of such Founding/Working Partner s Term of Employment (as defined in such Founding/Working

Table of Contents

Partner s employment agreement with such Person, if any, entered into in connection with the issuance of the Grant Units but excluding any automatic renewals thereof); *provided* that in the event of the death of such Founding/Working Partner such Founding/Working Partner s Personal Representative shall be entitled to a prorated amount of the Post-Termination Payment based on the number of years (or portion thereof) that such Founding/Working Partner was employed by the Opcos or their Subsidiaries or any of the Affiliated Entities.

(iii) Payments of the Post-Termination Payment shall not bear interest.

(iv) The provisions of Sections 12.02(d)(ii), 12.02(d)(iii), 12.02(d)(iv), 12.02(d)(v) and 12.02(d)(vi) shall apply to Grant Units with such modifications as may be required (as determined by the General Partner) to reflect the purpose of this Section 12.02(f); *provided* that the Bankruptcy of a Founding/Working Partner holding Grant Units shall have no effect.

(v) Each Founding/Working Partner holding Grant Units acknowledges and agrees that payments pursuant to this Section 12.02(f) represent a right to a fixed payment and do not represent a payment with respect to any Partnership asset of any nature.

(g) *Grant Tax Payment Accounts*. (i) In connection with the issuance of Grant Units, the Partnership may, at the election of the General Partner, establish for a holder of any Grant Units an account (the *Grant Tax Payment Account*) in an amount established by the General Partner, to be paid upon the terms and conditions provided in this Section 12.02(g). No interest or other earnings shall be credited to any Grant Tax Payment Account. Each Grant Tax Payment Account and the obligations of the Partnership with respect to the payment thereof shall be an unfunded unsecured obligation of the Partnership. Each holder of Grant Units acknowledges and agrees that payments pursuant to this Section 12.02(g) represent a right to a fixed payment and do not represent a payment with respect to any Partnership asset of any nature.

(ii) If a Founding/Working Partner for whom a Grant Tax Payment Account has been established shall become a Terminated Founding/Working Partner, such Founding/Working Partner shall be entitled to be paid the amount of such Founding/Working Partner s Grant Tax Payment Account in four (4) equal annual installments within 90 days of each of the first, second, third and fourth anniversaries of the date Payment Date; *provided* that (A) such Founding/Working Partner has not violated its Partner Obligations (including engaging in any Competitive Activity) prior to the date any such payment is due and the Partnership may condition the receipt of any payment from the Grant Tax Payment Account upon receipt of a certification, in form and substance acceptable to the General Partner, that such former Founding/Working Partner (or in the case of any Grant Units held by a corporate Founding/Working Partner, the majority owner of such Founding/Working Partner) has not violated its Partner Obligations (including engaging in any Competitive Activity) prior to the date such payments are due and (B) except as otherwise determined by the General Partner in its sole and absolute discretion, such Founding/Working Partner shall have been continuously employed by the Opcos or their Subsidiaries or the Affiliated Entities for the full term of such Founding/Working Partner s Term of Employment (as defined in such Founding/Working Partner s employment agreement with such Person, if any, entered into in connection with the issuance of the Grant Units but excluding any automatic renewals thereof); *provided* that in the event of the death of such Founding/Working Partner such Founding/Working Partner s Personal Representative shall be entitled to a prorated amount of the Post-Termination Payment based on the number of years (or portion thereof) that such Founding/Working Partner was employed by the Opcos or their Subsidiaries or any of the Affiliated Entities.

(iii) The obligation to pay any amount of any Grant Tax Payment Account shall be canceled and no amount shall be paid with respect to such account in the event the Partnership is dissolved without reconstitution prior to the date on which the person for whom such account was established becomes a Terminated Partner. In the event of the death of a Founding/Working Partner entitled to any payment pursuant to this Section 12.02(g), the Personal Representative of such Founding/Working Partner shall receive payment of his or her Grant Tax Payment Account pursuant to this Section 12.02(g); *provided*,

Table of Contents

however, that the Personal Representative of a deceased Founding/Working Partner shall not be entitled to receive any payment pursuant to this Section 12.02(g) if the deceased Founding/Working Partner violated its Partner Obligations (including engaging in a Competitive Activity prior to his, her or its death).

(h) *Post-Termination Payments for Matching Grant Units*. (i) Subject to Section 12.02(h)(ii), following the Termination of a Founding/Working Partner holding Matching Grant Units, the Partnership (or the appropriate Affiliated Entity) shall pay to such Founding/Working Partner (or his, her or its Personal Representative in the event of the death of such Founding/Working Partner) an amount (the *Matching Post-Termination Payment*) equal to (A) the number of Matching Grant Units issued to such Founding/Working Partner, multiplied by (B) the grant price for such Matching Grant Units on the date of issuance as determined by the General Partner in its discretion and set forth on a schedule; *provided*, *however*, that the obligation to make any Matching Post-Termination Payment shall be cancelled and no such payment shall be made in the event the Partnership is dissolved without reconstitution prior to the date such Founding/Working Partner holding Matching Grant Units becomes a Terminated Founding/Working Partner.

(ii) The Matching Post-Termination Payment provided in Section 12.02(h)(i) shall be paid in four (4) equal installments on each of the first, second, third and fourth anniversaries of the Termination of the Founding/Working Partner (subject to any delay caused by the administration of the estate of a deceased or Bankrupt Founding/Working Partner); *provided* that (A) such Founding/Working Partner has not violated its Partner Obligations (including engaging in any Competitive Activity) prior to the date such payments are due and the Partnership may condition the receipt of any Matching Post-Termination Payment upon receipt of a certification, in form and substance acceptable to the General Partner, that such former Founding/Working Partner (or in the case of any Matching Grant Units held by a corporate Founding/Working Partner, the majority owner of such Founding/Working Partner) has not violated its Partner Obligations (including engaging in any Competitive Activity) prior to the date such payments are due and (B) except as otherwise determined by the General Partner in its sole and absolute discretion, such Founding/Working Partner shall have been continuously employed by the Opcos or their Subsidiaries or the Affiliated Entities for the full term of such Founding/Working Partner s Term of Employment (as defined in such Founding/Working Partner s employment agreement with such Person, if any, entered into in connection with the issuance of the Grant Units but excluding any automatic renewals thereof); *provided* that in the event of the death of such Founding/Working Partner such Founding/Working Partner s Personal Representative shall be entitled to a prorated amount of the Matching Post-Termination Payment based on the number of years (or portion thereof) that such Founding/Working Partner was employed by the Opcos or their Subsidiaries or any of the Affiliated Entities.

(iii) Payments of the Matching Post-Termination Payment shall not bear interest.

(iv) The provisions of Sections 12.02(d)(ii), 12.02(d)(iii), 12.02(d)(iv), 12.02(d)(v) and 12.02(d)(vi) shall apply to Matching Grant Units with such modifications as may be required (as determined by the General Partner) to reflect the purpose of this Section 12.02(d); *provided* that the Bankruptcy of a Founding/Working Partner holding Matching Grant Units shall have no effect.

(v) Each Founding/Working Partner holding Matching Grant Units acknowledges and agrees that payments pursuant to this Section 12.02(h) represent a right to a fixed payment and do not represent a payment with respect to any Partnership asset of any nature.

(i) *Matching Grant Tax Payment Accounts*. (i) In connection with the issuance of Matching Grant Units, the Partnership may, at the election of the General Partner, establish for a holder of any Matching Grant Units an account (the *Matching Grant Tax Payment Account*) in an amount established by the General Partner, to be paid upon the terms and conditions provided in this Section 12.02(i). No interest or other earnings shall be credited to any Matching Grant Tax Payment Account. Each Matching Grant Tax Payment Account and the obligations of the Partnership with respect to the payment thereof shall be an unfunded unsecured obligation of the Partnership. Each holder of Matching Grant Units acknowledges and

agrees that payments pursuant to this Section 12.02(i) represent a right to a fixed payment and do not represent a payment with respect to any Partnership asset of any nature.

(ii) If a Founding/Working Partner for whom a Matching Grant Tax Payment Account has been established shall become a Terminated Founding/Working Partner, such Founding/Working Partner shall be entitled to be paid the amount of such Founding/Working Partner s Matching Grant Tax Payment Account in four (4) equal annual installments within 90 days of each of the first, second, third and fourth anniversaries of the Payment Date; *provided* that (A) such Founding/Working Partner not violated its Partner Obligations (including engaging in any Competitive Activity) prior to the date such payments are due and the Partnership may condition the receipt of any Matching Grant Tax Payment upon receipt of a certification, in form and substance acceptable to the General Partner, that such former Founding/Working Partner (or in the case of any Matching Grant Units held by a corporate Founding/Working Partner, the majority owner of such Founding/Working Partner) has not violated its Partner Obligations (including engaging in any Competitive Activity) prior to the date such payments are due and (B) except as otherwise determined by the General Partner in its sole and absolute discretion, such Founding/Working Partner shall have been continuously employed by the Opcos or their Subsidiaries or the Affiliated Entities for the full term of such Founding/Working Partner s Term of Employment (as defined in such Founding/Working Partner s employment agreement with such Person, if any, entered into in connection with the issuance of the Matching Grant Units but excluding any automatic renewals thereof); *provided* that in the event of the death of such Founding/Working Partner such Founding/Working Partner s Personal Representative shall be entitled to a prorated amount of the Matching Grant Tax Payment Amount based on the number of years (or portion thereof) that such Founding/Working Partner was employed by the Opcos or their Subsidiaries or any of the Affiliated Entities; *provided*, *however*, that the Personal Representative of a deceased Founding/Working Partner shall not be entitled to receive any payment pursuant to this Section 12.02(i) if the deceased Founding/Working Partner violated its Partner Obligations (including engaging in a Competitive Activity prior to his, her or its death).

(iii) The obligation to pay any amount of any Matching Grant Tax Payment Account shall be canceled and no amount shall be paid with respect to such account in the event the Partnership is dissolved without reconstitution prior to the date on which the Person for whom such account was established becomes a Terminated Founding/Working Partner.

(j) *Post-Termination Payments for REU Interests*. (i) Subject to Section 12.02(j)(ii), following the Termination of an REU Partner, the Partnership shall redeem the REUs held by such REU Partner, and in exchange therefor, shall deliver to such REU Partner (or his, her or its Personal Representative in the event of the death of such REU Partner) an amount of cash equal to the portion, if any, of the REU Post-Termination Amount associated with such REUs that has vested in accordance with the vesting schedule set forth in the grant of such REUs; *provided*, *however*, that, in lieu of such cash payment for an REU or REUs, the Partnership may cause such REU or REUs held by such Partner to become exchangeable pursuant to Section 8.01(b)(iii) and to automatically be Exchanged with BGC Partners for BGC Partners Class A Common Stock on the terms set forth in Sections 8.01(f), 8.01(g) and 8.01(h); *provided* that the General Partner shall determine the Exchange Effective Date (which date shall be on the date of such Termination or Bankruptcy or as promptly as practicable thereafter and which may be later than the Calculation Date), it being understood that the aggregate value of the shares of BGC Partners Class A Common Stock may be more or less than the vested REU Post-Termination Amount of such REUs. The total amount of cash and/or shares payable pursuant to this Section 12.02(j)(ii) is referred to herein as the *REU Post-Termination Payment*. A Terminated REU Partner s eligibility to receive the REU Post-Termination Payment shall be subject to the vesting schedule set forth in the award of such REU Units. The obligation to make any REU Post-Termination Payment shall be cancelled and no such payment shall be made in the event the Partnership is dissolved without reconstitution prior to the date such REU Partner holding REUs becomes a Terminated REU Partner.

Table of Contents

(ii) Notwithstanding the foregoing, the payment of an REU Post-Termination Payment shall be paid in four (4) equal installments on each of the first, second, third and fourth anniversaries of the Payment Date (subject to any delay caused by the administration of the estate of a deceased or Bankrupt REU Partner) as set forth in the grant of the applicable REU Interest, and such payment shall be subject to the following: the applicable REU Partner shall not have violated its Partner Obligations (including engaging in any Competitive Activity) prior to the date each such payments is due and the Partnership may condition the receipt of any REU Post-Termination Payment upon receipt of a certification, in form and substance acceptable to the General Partner, that such former REU Partner (or in the case of any REUs held by a corporate REU Partner, the majority owner of such REU Partner) has not violated its Partner Obligations (including engaging in any Competitive Activity) prior to the date such payments are due; *provided*, *however*, that the Personal Representative of a deceased REU Partner shall not be entitled to receive any payment pursuant to this Section 12.02(j) if the deceased REU violated its Partner Obligations (including engaging in a Competitive Activity prior to his, her or its death).

(iii) Payments of the REU Post-Termination Payment shall not bear interest.

(iv) The provisions of Sections 12.02(d)(ii), 12.02(d)(iii), 12.02(d)(iv), 12.02(d)(v) and 12.02(d)(vi) shall apply to REUs with such modifications as may be required (as determined by the General Partner) to reflect the purpose of this Section 12.02(d).

(v) Each REU Partner acknowledges and agrees that payments pursuant to this Section 12.02(j) represent a right to a fixed payment and do not represent a payment with respect to any Partnership asset of any nature.

(vi) Each REU Partner agrees to pay, and to indemnify and hold harmless the Partnership and its Affiliates from and against, any tax, or any other liability relating to a tax, of any kind whatsoever (including, without limitation, withholding, payroll or similar taxes) imposed on such REU Partner, the Partnership or any Affiliate in connection with or as a result of the distribution by the Partnership to such REU Partner of the REU Post-Termination Payment. In particular, and without limitation, the General Partner (for itself and/or on behalf of any employer or secondary contributor that is an Affiliated Entity), and each REU Partner hereby agrees that to the extent that the payment of the REU Post-Termination Payment constitutes the receipt of employment income or earnings for the purposes of the United Kingdom Pay as You Earn (*PAYE*) or National Insurance Contributions (*NIC*) legislation or is subject to similar rules under the laws of any other jurisdiction, the General Partner (for itself and/or on behalf of any such employer or secondary contributor) shall have the right either to (A) recover from such REU Partner the amount of any PAYE or NIC or other liability for which the General Partner or any such employer or secondary contributor is liable in connection with such issuance or distribution or (B) withhold from the number of shares of BGC Partners Class A Common Stock to be issued to such REU Partner as have a market value equal to any PAYE or NIC or other liability for which the General Partner (or any such employer or secondary contributor) is liable in connection with such issuance or distribution (rounded up to the nearest whole share of BGC Partners Class A Common Stock). The Partnership and its Affiliates shall have the authority to require an REU Partner to enter into such agreements as may be necessary or desirable in its view to give effect to the foregoing, and the payment of the REU Post-Termination Payment may be conditioned upon the REU Partner entering into such agreement.

(k) *Release*. The General Partner, in its sole and absolute discretion, may condition the payment of any amounts due to a Founding/Working Partner or an REU Partner, as the case may be, under this Section 12.02 upon obtaining a release from such Founding/Working Partner or REU Partner, as the case may be, and its Affiliates in form and substance satisfactory to the General Partner from all claims against the Partnership other than claims for payment pursuant to and in accordance with the terms of this Section 12.02.

Table of Contents

SECTION 12.03. *Redemption of a Founding/Working Partner Interest and an REU Interest*. (a) *Redemption of a Founding Partner Interest*. (i) Upon mutual agreement of Cantor and the General Partner, the General Partner, and subject to the right of first refusal provided in Section 12.03(a)(ii), may, at any time and from time to time for any reason or for no reason whatsoever, cause the Partnership to purchase and redeem from any Founding Partner or his, her or its Personal Representative, and any Founding Partner or his, her or its Personal Representative shall sell to the Partnership, all or a portion of that portion of the Founding Partner Interest held by such Founding Partner that has not become exchangeable pursuant to Section 8.01(b)(ii). The amount that shall be paid by the Partnership to acquire such Founding Partner Interest is as set forth in Section 12.04. With the consent of Cantor and the General Partner, the Partnership may assign by written instrument its right to purchase such portion of the Founding Partner Interest that has not become exchangeable pursuant to Section 8.01(b)(ii) pursuant to this Section 12.03 to another Partner.

(ii) Prior to any purchase of a Founding Partner Interest by the Partnership pursuant to this Article XII, including Section 12.03(a)(i), the Partnership shall provide written notice to Cantor of such purchase as promptly as practicable, and Cantor shall have a right of first refusal to purchase (or to assign to any member of the Cantor Group the right to purchase), in lieu of a purchase by the Partnership, all or a portion of such Founding Partner Interest that otherwise would have been purchased by the Partnership pursuant to Section 12.03(a)(i). The price to be paid by Cantor (or the other member of the Cantor Group acquiring such Founding Partner Interest, as the case may be) shall be equal to the lesser of (1) the amount that the Partnership would be required to pay to redeem or purchase such Founding Partner Interest were the Partnership to redeem or purchase such Founding Partner Interest pursuant to the provisions of this Section 12.03 (assuming such Founding Partner Interest were a Working Partner Interest) and (2) the amount equal to (x) the number of Units underlying the portion of the Founding Partner Interest so acquired, *multiplied by* (y) the Exchange Ratio as of the date of such purchase, *multiplied by* (z) the Current Market Price as of the date of such purchase. Cantor (or the other member of the Cantor Group acquiring such Founding Partner Interest, as the case may be) may pay for such price using cash, Publicly Traded Shares (valued at the average of the closing prices of such shares (as reported by the Nasdaq Global Market or any other national securities exchange or quotation system on which such shares are then listed or quoted) during the 10-trading-day period immediately preceding each payment (or by such other fair and reasonable pricing method as may be selected by Cantor)), or other property valued at its then-fair market value, as determined by Cantor in its sole and absolute discretion, or a combination of the foregoing. Notwithstanding anything to the contrary set forth in this Agreement, the Parties agree that, if Cantor (or the other member of the Cantor Group acquiring such Founding Partner Interest, as the case may be) shall purchase a Founding Partner Interest pursuant to this Section 12.03(a)(i) at a price equal to clause (2) above, neither Cantor, any member of the Cantor Group nor the Partnership or any other Person shall be obligated to pay the holder of such Founding Partner Interest any amount in excess of the amount set forth in clause (2) above. Cantor shall respond as promptly as practicable to the Partnership after receipt of the written notice provided by the Partnership as to whether it is electing to exercise its right of first refusal pursuant to this Section 12.03(a)(ii) with respect to a Founding Partner Interest. Pursuant to Section 4.03(c)(iii), any Founding Partner Interest acquired by a Cantor Company pursuant to this Section 12.03(a)(i) shall cause such Founding Partner Interest and related Units (or portion thereof) to automatically be designated as an Exchangeable Limited Partnership Interest and the related Units (or portion thereof) shall automatically be designated as Exchangeable Limited Partnership Units. The Cantor Company acquiring such Interest shall have all rights and obligations of a holder of Exchangeable Limited Partnership Interest with respect to such Interest, and such Exchangeable Limited Partnership Interest shall not be subject to the redemption provisions of this Article XII.

(b) *Redemption of Working Partner Interests*. (i) The General Partner may, at any time and from time to time for any reason or for no reason whatsoever, cause the Partnership to purchase and redeem (or in the sole and absolute discretion of the General Partner, assign by written instrument executed by the General Partner to another Partner the right to purchase, subject to the right of first refusal provided

Table of Contents

in Section 12.03(b)(ii)) from such Working Partner or his, her or its Personal Representative, and such Working Partner or his, her or its Personal Representative shall sell to such other Partner or the Partnership, as the case may be, all or a portion of that portion of the Working Partner Interest held by such Working Partner that has not become exchangeable pursuant to Section 8.01(b)(iv). The amount that shall be paid by the Partnership to acquire such Working Partner Interest is as set forth in Section 12.04.

(ii) If the Partnership elects to assign its purchase rights with respect to any Working Partner Interest to another Partner pursuant to Section 12.03(b)(i), the Partnership shall provide written notice to Cantor of such election as promptly as practicable, and Cantor shall have a right of first refusal to purchase (or to assign to any member of the Cantor Group the right to purchase), in lieu of a purchase by such other Partner, all or a portion of such Interest, on the same terms that such Partner would have a right to purchase such Interest. Cantor shall respond as promptly as practicable to the Partnership after receipt of the written notice provided by the Partnership as to whether it is electing to exercise its right of first refusal provided in this Section 12.03(b)(ii) with respect to such Working Partner Interest.

(c) *Redemption of REU Interests*. (i) The General Partner may, at any time and from time to time for any reason or for no reason whatsoever, cause the Partnership to purchase and redeem (or in the sole and absolute discretion of the General Partner, assign by written instrument executed by the General Partner to another Partner the right to purchase, subject to the right of first refusal provided in Section 12.03(c)(ii)) from such REU Partner or his, her or its Personal Representative, and such REU Partner or his, her or its Personal Representative shall sell to such other Partner or the Partnership, as the case may be, that portion of the REU Interest held by such REU Partner that has not become exchangeable pursuant to Section 8.01(b)(iii). The amount that shall be paid by the Partnership to acquire such portion of REU Interest is as set forth in Section 12.04.

(ii) If the Partnership elects to assign its purchase rights with respect to any REU Interest to another Partner pursuant to Section 12.03(c)(i), the Partnership shall provide written notice to Cantor of such election as promptly as practicable, and Cantor shall have a right of first refusal to purchase (or to assign to any member of the Cantor Group the right to purchase), in lieu of a purchase by such other Partner, all or a portion of such Interest, on the same terms that such Partner would have a right to purchase such Interest. Cantor shall respond as promptly as practicable to the Partnership after receipt of the written notice provided by the Partnership as to whether it is electing to exercise its right of first refusal provided in this Section 12.03(c)(ii) with respect to such REU Interest.

SECTION 12.04. *Purchase Price for Redemption; Other Redemption Provisions*. (a) *Purchase of Entire Founding/Working Partner Interest or Entire REU Interest*. Subject to Section 3.03, and provided that Cantor has not exercised its right of first refusal, upon a redemption or purchase by the Partnership of all, but not less than all, of a Founding/Working Partner Interest or REU Interest, as the case may be, held by a Founding/Working Partner or REU Partner, as the case may be (or its, his or her Personal Representatives), pursuant to Section 12.02 or 12.03, the Partnership shall pay to such Partner or its, his or her Personal Representative the amount to be paid pursuant to, and at the times provided in, Section 12.02 (and, in the case of High Distribution II Units, pursuant to Section 12.01(b)).

(b) *Redemption or Purchase of Partial Founding/Working Partner Interest or REU Interest*. Subject to Section 3.03, upon a redemption or purchase by the Partnership of less than all of a Founding/Working Partner Interest or REU Interest, as the case may be, held by a Founding/Working Partner or REU Partner, as the case may be (or its, his or her Personal Representatives), pursuant to Section 12.02 or 12.03, the Partnership shall pay to such Founding/Working Partner or REU Partner, as the case may be (or its, his or her Personal Representative), an amount equal to the Adjusted Capital Account attributable to the portion of such Founding/Working Partner Interest or REU Interest, as the case may be, so redeemed or purchased (reduced in whole or in part in the sole and absolute discretion of the General Partner by the applicable Adjustment Amount and determined as of the end of the immediately preceding fiscal quarter); *provided* that (i) the Partnership shall be deemed to have redeemed Founding/Working Partner Units or REUs, as the

Table of Contents

case may be, in the inverse order in which they were acquired and (ii) in no event shall the amount paid for any redeemed Founding/Working Partner Unit or REUs, as the case may be, be less than the price initially paid for such Unit (equitably adjusted to reflect any losses or deductions incurred by the Partnership or any Subsidiary subsequent to the acquisition of such Unit or any distributions of capital by the Partnership in respect of such Units) (it being understood that this clause (ii) shall not apply in respect of a purchase of such Units by Cantor pursuant to the exercise of a right of first refusal or otherwise). Notwithstanding anything to the contrary contained herein, Sections 12.02 and 12.03 shall also apply to the redemption of Units held by an Exempt Organization that were received from a Transfer by a Founding/Working Partner or REU Partner.

(c) *Substitution of Non-Cash Consideration*. Notwithstanding anything to the contrary, the Partnership shall have the right, in the sole and absolute discretion of the General Partner, subject to Section 3.02(d), upon any redemption of Units pursuant to Section 12.02 or 12.03 to pay all or part of any amounts due in respect of such redemption (including Post-Termination Payments and payments in respect of the Grant Tax Payment Account) in Publicly Traded Shares, in lieu of cash, valued at the average of the closing prices of such shares (as reported by the Nasdaq Global Market or any other national securities exchange or quotation system on which such shares are then listed or quoted) during the 10-trading-day period immediately preceding each payment (or by such other fair and reasonable pricing method as may be selected by the General Partner), or other property valued at its then-fair market value, as determined by the General Partner in its sole and absolute discretion, or a combination of the foregoing.

SECTION 12.05. *Redemption of Opco Units Following a Redemption of Founding/Working Partner Interests or REU Interest*. (a) *Founding Partner Interests*. Upon any redemption or purchase by the Partnership of any Founding Partner Interest pursuant to Section 12.02 or 12.03, the Partnership shall cause U.S. Opco and Global Opco to redeem and purchase from the Partnership a number of U.S. Opco Units (and the associated U.S. Opco Capital) and cause Global Opco to redeem and purchase from the Partnership a number of Global Opco Units (and the associated Global Opco Capital), in each case, equal to (A) the number of Units underlying the redeemed or purchased Founding Partner Interest, *multiplied* by (B) the Holdings Ratio as of immediately prior to the redemption or purchase of such Founding Partner Interest. The aggregate purchase price that the Opcos shall pay to the Partnership in such redemption shall be an amount of cash equal to (x) the number of U.S. Opco Units so redeemed *multiplied by* (y) the Current Market Price; *provided* that, upon mutual agreement of the General Partner, the general partner of U.S. Opco and the general partner of Global Opco, U.S. Opco and Global Opco may, in lieu of cash, pay all or a portion of this amount in Publicly Traded Shares, valued at the average of the closing prices of such shares (as reported by the Nasdaq Global Market or any other national securities exchange or quotation system on which such shares are then listed or quoted) during the 10-trading-day period immediately preceding each payment (or by such other fair and reasonable pricing method as they may agree), or other property, valued at its then-fair market value, as determined by them. BGC Partners shall determine the proportion of such amount that shall be paid by U.S. Opco, on the one hand, and Global Opco, on the other hand (which determination shall be based on BGC Partners good-faith judgment as to the proportion of the total fair value of the Opcos represented by U.S. Opco and Global Opco, respectively, as of such date).

(b) *Working Partner Interests*. Upon any redemption or purchase by the Partnership of any Working Partner Interest pursuant to Section 12.02 or 12.03, the Partnership shall cause U.S. Opco and Global Opco to redeem and purchase from the Partnership a number of U.S. Opco Units (and the associated U.S. Opco Capital) and cause Global Opco to redeem and purchase from the Partnership a number of Global Opco Units (and the associated Global Opco Capital), in each case, equal to (A) the number of Units underlying the redeemed or purchased Working Partner Interest, *multiplied* by (B) the Holdings Ratio as of immediately prior to the redemption or purchase of such Working Partner Interest. The aggregate purchase price that the Opcos shall pay to the Partnership in such redemption shall be an amount of cash equal to the amount required by the Partnership to redeem or purchase such Working Partner Interest; *provided* that, upon mutual agreement of the General Partner, the general partner of U.S. Opco and the general partner of Global Opco, U.S. Opco and Global Opco may, in lieu of cash, pay all or a portion of this amount in Publicly Traded Shares, valued at the average of the closing prices of such shares (as reported by the Nasdaq

Table of Contents

Global Market or any other national securities exchange or quotation system on which such shares are then listed or quoted) during the 10-trading-day period immediately preceding each payment (or by such other fair and reasonable pricing method as they may agree), or other property valued at its then-fair market value, as determined by them. BGC Partners shall determine the proportion of such amount that shall be paid by U.S. Opco, on the one hand, and Global Opco, on the other hand (which determination shall be based on BGC Partners good-faith judgment as to the proportion of the total fair value of the Opcos represented by U.S. Opco and Global Opco, respectively, as of such date).

(c) *REU Interests*. Upon any redemption or purchase by the Partnership of any REU Interest pursuant to Section 12.02 or 12.03 that occurs on or after the Merger, the Partnership shall cause U.S. Opco and Global Opco to redeem and purchase from the Partnership a number of U.S. Opco Units (and the associated U.S. Opco Capital) and cause Global Opco to redeem and purchase from the Partnership a number of Global Opco Units (and the associated Global Opco Capital), in each case, equal to (A) the number of Units underlying the redeemed or purchased REU Interest, *multiplied* by (B) the Holdings Ratio as of immediately prior to the redemption or purchase of such REU Interest. The aggregate purchase price that the Opcos shall pay to the Partnership in such redemption shall be an amount of cash equal to the amount required by the Partnership to redeem or purchase such REU Interest (including the REU Post-Termination Payment, if any); *provided* that, upon mutual agreement of the General Partner, the general partner of U.S. Opco and the general partner of Global Opco, U.S. Opco and Global Opco may, in lieu of cash, pay all or a portion of this amount in Publicly Traded Shares, valued at the average of the closing prices of such shares (as reported by the Nasdaq Global Market or any other national securities exchange or quotation system on which such shares are then listed or quoted) during the 10-trading-day period immediately preceding each payment (or by such other fair and reasonable pricing method as they may agree), or other property valued at its then-fair market value, as determined by them. BGC Partners shall determine the proportion of such amount that shall be paid by U.S. Opco, on the one hand, and Global Opco, on the other hand (which determination shall be based on BGC Partners good-faith judgment as to the proportion of the total fair value of the Opcos represented by U.S. Opco and Global Opco, respectively, as of such date).

SECTION 12.06. *Section 7704 of the Code* Notwithstanding anything to the contrary in this Agreement, no Founding/Working Partner Units may be Transferred or redeemed to the extent that such Transfer or redemption would cause the Partnership to be treated as a publicly traded partnership within the meaning of Section 7704 of the Code or any successor thereto, and the General Partner is expressly authorized to modify the operation of the transfer and redemption provisions of this Agreement to the extent reasonably necessary to implement the purposes of this Section 12.06.

ARTICLE XIII

MISCELLANEOUS

SECTION 13.01. *Amendments*. (a) Except as provided in Section 1.03 with respect to this Agreement or Section 2.01 with respect to the Certificate of Limited Partnership, the Certificate of Limited Partnership and this Agreement may not be amended except with (and any such amendment shall be authorized upon obtaining) the approval of each of the General Partner and the Exchangeable Limited Partners (by the affirmative vote of a Majority in Interest); *provided* that this Agreement shall not be amended to (i) amend any provisions which require the consent of a specified percentage in interest of the Limited Partners without the consent of that specified percentage in interest of the Limited Partners; (ii) alter the interest of any Partner in the amount or timing of distributions or the allocation of profits, losses or credits (other than any such alteration caused by the acquisition of additional Units by any Partner or the issuance of additional Units to any Person pursuant to this Agreement or as otherwise expressly provided herein), if such alteration would either (A) materially adversely affect the economic interest of a Partner in the Partnership or (B) materially adversely affect the value of Interests, without the consent of (x) the Partners holding at least two-thirds of all Units in the case of an amendment applying in a substantially similar manner to all classes of Interests or (y) two-thirds in interest of the

Table of Contents

affected class or classes of the Partners in the case of any other amendment; or (iii) amend this Agreement to alter the Special Voting Limited Partner s ability to remove a General Partner; *provided*, *however*, that the General Partner may authorize, without further approval of any other Person or group, (1) any amendment to this Agreement to correct any technicality, incorrect statement or error apparent on the face hereof in order to further the intent of the parties hereto or (2) correction of any formality or error apparent on the face hereof or incorrect statement or defect in the execution hereof. Any merger or consolidation of the Partnership with any third party that shall amend or otherwise modify the terms of this Agreement shall require the approval of the Persons referred to above to the extent the approval of such Persons would have been required had such amendment or modification been effected by an amendment to this Agreement.

(b) In the event of the approval pursuant to this Section 13.01 or otherwise of a material amendment to this Agreement that materially adversely affects the economic interest of a Founding/Working Partner or an REU Partner, as the case may be, in the Partnership or the value of Founding/Working Partner Units or REUs, as the case may be, by materially altering the interest of any such Founding/Working Partner or REU Partner, as the case may be, in the amount or timing of distributions or the allocation of profits, losses or distributions or the allocation of profits, losses or credit, other than any such alteration caused by the acquisition of Units by any Partner, then each Founding/Working Partner or REU Partner, as the case may be (including the controlling stockholder of any corporate Founding/Working Partner or REU Partner, as the case may be), who does not vote in favor of such amendment shall have the right, subject to the conditions of this Section 13.01, to elect to become a Terminated Partner (regardless of whether there is an actual termination of the employment of such Founding/Working Partner or REU Partner, as the case may be) as of the date of such amendment to this Agreement, on the terms and conditions of this Agreement as in effect immediately prior to such amendment to this Agreement; *provided*, *however*, that (i) solely for purposes of determining the timing of payments of the Additional Amounts pursuant to Section 12.02(c) (but not the determination of interest) to any Founding/Working Partner or REU Partner, as the case may be, who becomes a Terminated Partner pursuant to an election pursuant to this Section 13.01(b), the Payment Date shall not be deemed to occur until the date such Founding/Working Partner or REU Partner, as the case may be, shall cease to be employed by the Opcos or their Subsidiaries or the Affiliated Entities in any capacity, and (ii) no payment of any amount on account of any Extraordinary Account pursuant to Article XII shall be made prior to such date, unless the General Partner in its sole and absolute discretion shall designate an earlier date. Such election shall be made by written notice to the General Partner, delivered within thirty (30) days of notice to the electing Founding/Working Partner or REU Partner, as the case may be, of the proposed amendment, specifically stating that such Founding/Working Partner or REU Partner, as the case may be, elects to withdraw under the terms and conditions of this Section 13.01(b). As a condition to any such election, any Founding/Working Partner or REU Partner, as the case may be, electing to become a Terminated Partner pursuant to this Section 13.01(b) must, if requested by the General Partner, provide his or her written consent stating that such Partner agrees that the termination date (or any similar date relating to the cessation of such Partner s and obligations of the Partnership and the Affiliated Entities) of such Founding/Working Partner or REU Partner, as the case may be, under any employment agreement with the Opcos or their Subsidiaries or any Affiliated Entity, shall be accelerated to the effective date of such election, and such electing Founding/Working Partner or REU Partner, as the case may be, shall have no future right to any compensation, benefits, termination payments or other emoluments from the Opcos or their Subsidiaries or an Affiliated Entity, pursuant to any such agreement, and such Founding/Working Partner or REU Partner, as the case may be, shall be entitled to future payments from the Partnership only as provided in this Agreement and as may be determined by the General Partner. The General Partner shall have the right, in the event any Founding/Working Partner or REU Partner, as the case may be, of the Partnership seeks to exercise his, her or its withdrawal rights pursuant to this Section 13.01(b), to revoke and terminate any proposed amendment to this Agreement, in which event all approvals, elections and terminations pursuant hereto shall be of no force and effect, and all agreements shall remain in full force and effect in accordance with their terms prior to the proposed amendments. For this purpose, any proposed amendment of this Agreement subject to this Section 13.01(b) shall not become effective until the later of (A) receipt of sufficient approval by the Partners pursuant to this Section 13.01 or (B) thirty (30) days after

Table of Contents

written notice to the Partners of the proposed amendment to this Agreement, and shall become effective no later than sixty (60) days after written notice to the Partners of the proposed amendment to this Agreement, unless revoked by the General Partner.

SECTION 13.02. *Benefits of Agreement*. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Partnership or by any creditor of any of the Partners. Except as provided in Article X with respect to Persons entitled to indemnification pursuant to such Article, nothing in this Agreement shall be deemed to create any right in any Person not a party hereto, and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of any third person.

SECTION 13.03. *Waiver of Notice*. Whenever any notice is required to be given to any Partner or other Person under the provisions of the Act or this Agreement, a waiver thereof in writing, signed by the Person or Persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any meeting of the Partners (if any shall be called) or the General Partner need be specified in any waiver of notice of such meeting.

SECTION 13.04. *Jurisdiction and Forum; Waiver of Jury Trial*. (a) Each of the Partners agrees, to the fullest extent permitted by law, that all Actions arising out of or in connection with this Agreement, the Partnership s affairs, the rights or interests of the Partners or the estate of any deceased Partner (to the extent that they are related to any of the foregoing), or for recognition and enforcement of any judgment arising out of or in connection with this Agreement or any breach or termination or alleged breach or termination of this Agreement, shall be tried and determined exclusively in the state or federal courts in the State of Delaware, and each of the Partners hereby irrevocably submits with regard to any such Action for itself and in respect to its property, generally and unconditionally, to the exclusive jurisdiction of the aforesaid courts. Each of the Partners hereby expressly waives, to the fullest extent permitted by law, any right it may have to assert, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any such Action: (i) any claim that it is not subject to personal jurisdiction in the aforesaid courts for any reason; (ii) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts; (iii) that (A) any of the aforesaid courts is an inconvenient or inappropriate forum for such Action, (B) venue is not proper in any of the aforesaid courts; and (iv) this Agreement, or the subject matter hereof or thereof, may not be enforced in or by any of the aforesaid courts. With respect to any action arising out of or relating to this agreement or any obligation hereunder, each Partner irrevocably and unconditionally, to the fullest extent permitted by law, (x) agrees to appoint promptly upon request from the Partnership authorized agents for the purpose of receiving service of process in any suit, action or proceeding in Wilmington, Delaware; (y) consents to service of process in any suit, action or proceeding in such jurisdictions; and (z) consents to service of process by mailing a copy thereof to the address of the Partner determined under Section 13.07 by U.S. registered or certified mail, by the closest foreign equivalent of registered or certified mail, by a recognized overnight delivery service, by service upon any agent specified pursuant to clause (x) above, or by any other manner permitted by applicable law.

(b) EACH PARTNER WAIVES ANY RIGHT TO REQUEST OR OBTAIN A TRIAL BY JURY IN ANY JUDICIAL PROCEEDING GOVERNED BY THE TERMS OF THIS AGREEMENT OR PERTAINING TO THE MATTERS GOVERNED BY THIS AGREEMENT. MATTERS GOVERNED BY THIS AGREEMENT SHALL INCLUDE, BUT ARE NOT LIMITED TO, ANY AND ALL MATTERS AND AGREEMENTS REFERRED TO IN THIS AGREEMENT AND ANY DISPUTES ARISING WITH RESPECT TO ANY SUCH MATTERS AND AGREEMENTS.

(c) The Partners acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the Partnership shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof and thereof, this being in addition to any other remedy to which they may be entitled by law or equity.

Table of Contents

SECTION 13.05. *Successors and Assigns*. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective estates, heirs, legal representatives, successors and permitted assigns, any additional Partner admitted in accordance with the provisions hereof and any successor to a trustee of a trust that is or becomes a party hereto.

SECTION 13.06. *Confidentiality*. (a) In addition to any other obligations set forth in this Agreement, each Partner recognizes that confidential information has been and will be disclosed to such Partner by the Partnership and its Subsidiaries. Each Partner (other than the Cantor Group and the BGC Partners Group) expressly agrees, whether or not at the time a Partner of the Partnership or providing services to the Partnership and/or any of its Subsidiaries, to (i) maintain the confidentiality of, and not disclose to any Person without the prior written consent of the Partnership, any financial, legal or other advisor to the Partnership, any information relating to the business, clients, affairs or financial structure, position or results of the Partnership or its affiliates (including any Affiliate) or any dispute that shall not be generally known to the public or the securities industry and (ii) not to use such confidential information other than for the purpose of evaluating such Partner s investment in the Partnership or in connection with the discharge of any duties to the Partnership or an Affiliated Entity such Partner may have in such Partner s capacity as an officer, director, employee or agent of the Partnership or an Affiliated Entity. Notwithstanding Section 13.04 or any other provision herein to the contrary, each Partner agrees that money damages would not be a sufficient remedy for any breach of this Section 13.06 by such Partner, and that in addition to all other remedies, the Partnership shall be entitled to injunctive or other equitable relief as a remedy for any such breach. Each Partner agrees not to oppose the granting of such relief and agrees to waive any requirement for the securing or posting of any bond in connection with such remedy.

(b) In the event that any third party requests information from a Founding/Working Partner or REU Partner, as the case may be (whether during the period he, she or it is a Partner or during the Restricted Period applicable to such Partner), regarding any matter related to such Partner s employment by the Partnership or any Affiliated Entity or his, her or its role as a Founding/Working Partner or REU Partner, as the case may be, he, she or it will contact and notify the General Counsel of the Partnership before responding to such requests for information, so that the Partnership may take appropriate action to protect its interests. However, neither a Founding/Working Partner or an REU Partner shall have any obligation to contact and notify the General Counsel of the Partnership prior to any such discussions between such Partner and such Partner s legal counsel or his certified public accountant.

(c) In the event that a Founding/Working Partner or an REU Partner is subpoenaed, or asked, to testify as a witness or to produce documents in any legal or administrative or other proceeding related to the Partnership (whether during the period in which he, she or it is a Partner or during the Restricted Period applicable to such Partner), or otherwise required by law to disclose confidential information, he, she or it will promptly notify the Partnership of such subpoena or request and meet with Partnership representatives for a reasonable period of time prior to any such appearance or production.

(d) Each of the current and any former beneficial owners of any corporate or other entity Founding/Working Partner or REU Partner, and each trustee or beneficiary of any trust that is a Founding/Working Partner or REU Partner, shall also be subject to the provisions of this Section 13.06 and each corporate or other entity Founding/Working Partner or REU Partner, as the case may be, and each such trustee or beneficiary agrees to take such action as is requested by the General Partner to ensure the enforcement of this Section 13.06.

(e) Each Founding/Working Partner and each REU Partner agrees to indemnify and hold the Partnership harmless from any loss, cost, damage or claim suffered by the Partnership, including attorney s fees, resulting from a breach by such Partner (including by its beneficial owner or by any trustee of any trust beneficial owner) of this Section 13.06.

SECTION 13.07. *Notices*. All notices and other communications required or permitted by this Agreement shall be made in writing and any such notice or communication shall be deemed delivered when delivered in Person, properly transmitted by telecopier or one (1) Business Day after it has been sent by an internationally

Table of Contents

recognized overnight courier to the address for notices shown in the Partnership s records (or any other address provided to the Partnership in writing for this purpose) or, if given to the Partnership, to the principal place of business of the Partnership in New York, New York. Communications by telecopier also shall be sent concurrently by overnight courier, but shall in any event be effective as stated above. Each Partner may from time to time change its address for notices under this Section 13.07 by giving at least five (5) days prior written notice of such changed address to the Partnership.

SECTION 13.08. *No Waiver of Rights*. No failure or delay on the part of any Partner in the exercise of any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or of any other right or power. The waiver by any Partner of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach hereunder. All rights and remedies existing under this Agreement are cumulative and are not exclusive of any rights or remedies otherwise available.

SECTION 13.09. *Power of Attorney*. Each Partner agrees that, by its execution of this Agreement, such Partner irrevocably constitutes and appoints the General Partner as its true and lawful attorney-in-fact coupled with an interest, with full power and authority, in its name, place and stead to make, execute, acknowledge and record (a) all certificates, instruments or documents, including fictitious name or assumed name certificates, as may be required by, or may be appropriate under, the laws of any state or jurisdiction in which the Partnership is doing or intends to do business and (b) all agreements, documents, certificates or other instruments amending this Agreement or the Certificate of Limited Partnership that may be necessary or appropriate to reflect or accomplish (i) a change in the name or location of the principal place of business of the Partnership or a change of name or address of a Partner, (ii) the disposal or increase by a Partner of his Interest in the Partnership or any part thereof, (iii) a distribution and reduction of the capital contribution of a Partner or any other changes in the capital of the Partnership, (iv) the dissolution or termination of the Partnership, (v) the addition or substitution of a Person becoming a Partner of the Partnership and (vi) any amendment to this Agreement, in each case only to the extent expressly authorized and conducted in accordance with the preceding sections of this Agreement. The power granted hereby is coupled with an interest and shall survive the subsequent disability or incapacity of the principal.

SECTION 13.10. *Severability*. If any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, such provision shall be modified to the minimum extent necessary to cause it to be enforceable, and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired.

SECTION 13.11. *Headings*. The section and article headings contained in this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement. All references to Sections or Articles contained herein mean Sections or Articles of this Agreement unless otherwise stated.

SECTION 13.12. *Entire Agreement*. This Agreement amends and restates in its entirety the Original Limited Partnership Agreement. This Agreement, including the exhibits, annexes and schedules hereto and the Ancillary Agreements, constitute the entire agreement among the parties hereto and supersede all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof and thereof. Notwithstanding anything herein to the contrary, in the event of any conflict or inconsistency between the terms of Article XII and the rest of this Agreement, the terms of the rest of this Agreement shall prevail and Article XII shall be appropriately amended by the General Partner (with the prior written consent of the Exchangeable Limited Partners (by Majority in Interest)) to remove such conflict or inconsistency (without the requirement of any further consent, approval or action of any other Persons).

SECTION 13.13. *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflicts of law principles.

Table of Contents

SECTION 13.14. *Counterparts*. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

SECTION 13.15. *Opportunity; Fiduciary Duty*. To the greatest extent permitted by law and except as otherwise set forth in this Agreement, but notwithstanding any duty otherwise existing at law or in equity:

(a) None of any BGC Partners Company or Cantor Company or any of their respective Representatives shall owe any fiduciary duty to, nor shall any BGC Partners Company or Cantor Company or any of their respective Representatives be liable for breach of fiduciary duty to, the Partnership or the holders of Interests. In taking any action, making any decision or exercising any discretion with respect to the Partnership, each BGC Partners Company and Cantor Company and their respective Representatives shall be entitled to consider such interests and factors as it desires, including its own interests and those of its Representatives, and shall have no duty or obligation (i) to give any consideration to the interests of or factors affecting the Partnership, the holders of Interests or any other Person, or (ii) to abstain from participating in any vote or other action of the Partnership or any Affiliate thereof, or any board, committee or similar body of any of the foregoing. None of any BGC Partners Company, Cantor Company or any of their respective Representatives shall violate a duty or obligation to the Partnership merely because such Person s conduct furthers such Person s own interest, except as specifically set forth in Section 13.15(c). Any BGC Partners Company, Cantor Company or any of their respective Representatives may lend money to, and transact other business with, the Partnership and its Representatives. The rights and obligations of any such Person who lends money to, contracts with, borrows from or transacts business with the Partnership or any of its Representatives are the same as those of a Person who is not involved with the Partnership or any of its Representatives, subject to other applicable law. No transaction between any BGC Partners Company, Cantor Company or any of their respective Representatives, on the one hand, with the Partnership or any of its Representatives, on the other hand, shall be voidable solely because any BGC Partners Company, Cantor Company or any of their respective Representatives has a direct or indirect interest in the transaction. Nothing herein contained shall prevent any BGC Partners Company, Cantor Company or any of their respective Representatives from conducting any other business, including serving as an officer, director, employee, or stockholder of any corporation, partnership or limited liability company, a trustee of any trust, an executor or administrator of any estate, or an administrative official of any other business or not-for-profit entity, or from receiving any compensation in connection therewith.

(b) None of any BGC Partners Company, Cantor Company or any of their respective Representatives shall owe any duty to refrain from (i) engaging in the same or similar activities or lines of business as the Partnership and its Representatives, or (ii) doing business with any of the Partnership s or its Representatives clients or customers. In the event that any BGC Partners Company, Cantor Company or any of their respective Representatives acquires knowledge of a potential transaction or matter that may be a Corporate Opportunity for any BGC Partners Company, Cantor Company or any of their respective Representatives, on the one hand, and the Partnership or its Subsidiaries, on the other hand, such BGC Partners Company, Cantor Company or any of its Subsidiaries, as the case may be, shall have no duty to communicate or offer such Corporate Opportunity to the Partnership or its Representatives. None of any BGC Partners Company, Cantor Company or any of their respective Representatives shall be liable to the Partnership, the holders of Interests or its Representatives for breach of any fiduciary duty by reason of the fact that any BGC Partners Company, Cantor Company or any of their respective Representatives pursues or acquires such Corporate Opportunity for itself, directs such Corporate Opportunity to another Person or does not present such Corporate Opportunity to the Partnership or any of its Representatives.

(c) If a third party presents a Corporate Opportunity to a person who is both a Representative of a BGC Partners Company and/or a Cantor Company, expressly and solely in such Person s capacity as a Representative of the Partnership, and such Person acts in good faith in a manner consistent with the policy that such Corporate Opportunity belongs to the Partnership, then such Person shall (i) be deemed to have fully satisfied and fulfilled any fiduciary duty that such Person has to the Partnership as a Representative of the Partnership with respect to such Corporate Opportunity, (ii) shall not be liable to the Partnership, the

holders of Interests or any of its Representatives for breach of fiduciary duty by reason of such Person s action or inaction with respect to such Corporate Opportunity, (iii) shall be deemed to have acted in good faith and in a manner that such Person reasonably believed to be in, and not opposed to, the Partnership s best interests, and (iv) shall be deemed not to have breached such Person s duty of loyalty to the Partnership and the holders of Interests and not have derived an improper personal benefit therefrom; *provided* that a BGC Partners Company and/or Cantor Company may pursue such Corporate Opportunity if the Partnership shall decide not to pursue such Corporate Opportunity. If a Corporate Opportunity is not presented to a Person who is both a Representative of the Partnership and a Representative of a BGC Partners Company and/or a Cantor Company, expressly and solely in such Person s capacity as a Representative of the Partnership, such Person shall not be obligated to present such Corporate Opportunity to the Partnership or to act as if such Corporate Opportunity belongs to the Partnership, and such Person shall (A) be deemed to have fully satisfied and fulfilled any fiduciary duty that such Person has to the Partnership as a Representative of the Partnership with respect to such Corporate Opportunity, (B) shall not be liable to the Partnership, any of the holders of Interests or any of its Representatives for breach of fiduciary duty by reason of such Person s action or inaction with respect to such Corporate Opportunity, (C) shall be deemed to have acted in good faith and in a manner that such person reasonably believed to be in, and not opposed to, the Partnership s best interests, and (iv) shall be deemed not to have breached such Person s duty of loyalty to the Partnership and the holders of Interests and not have derived an improper personal benefit therefrom.

(d) Any Person purchasing or otherwise acquiring any Interest shall be deemed to have notice of and to have consented to the provisions of this Section 13.15.

(e) Except to the extent otherwise modified herein, each officer of the Partnership shall have fiduciary duties identical to those of officers of business corporations organized under the DGCL. The provisions of this Agreement, to the extent that they restrict or eliminate the duties (including fiduciary duties) of a director, officer or other Person otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties of such Person.

(f) Neither the alteration, amendment, termination, expiration or repeal of this Section 13.15 nor the adoption of any provision of this Agreement inconsistent with this Section 13.15 shall eliminate or reduce the effect of this Section 13.15 in respect of any matter occurring, or any cause of Action that, but for this Section 13.15, would accrue or arise, prior to such alteration, amendment, termination, expiration, repeal or adoption.

SECTION 13.16. *Reimbursement of Expenses*. All costs and expenses incurred in connection with the ongoing operation or management of the business of the Partnership or its Subsidiaries shall be borne by the Partnership or its Subsidiaries, as the case may be.

SECTION 13.17. *Effectiveness*. The Original Limited Partnership Agreement was effective for all financial and accounting purposes as of August 24, 2004. This Agreement shall be effective immediately prior the Closing (as defined in the Separation Agreement).

SECTION 13.18. *Parity of Units*. It is the non-binding intention of each of the Partners and the Partnership that the Holdings Ratio shall at all times equal one. Accordingly, in the event of any issuance, or repurchase by U.S. Opco, of U.S. Opco Units to or held by the Partnership, it is the non-binding intention of each of the Partners and the Partnership that there be a parallel issuance or repurchase transaction by the Partnership so that the Holdings Ratio shall at all times equal one, and the parties to this Agreement agree to cooperate to effect the intent of this Section 13.18.

SECTION 13.19. *Limitation on Claim Period and Exclusive Remedies Available to Partners with Respect to any Redemption of Units*.
(a) Notwithstanding anything in this Agreement or in law or equity to the contrary, no Founding/Working Partner and no REU Partner may institute any action challenging, directly or indirectly, the

Table of Contents

terms, conditions or validity or any other matter related to or arising out of any redemption by the Partnership of Units held by such Partner, whether such action is based (in whole or in part) in contract, tort and/or any duty otherwise existing in law or equity (a *Challenge*) unless such Challenge is instituted on or prior to the first anniversary (the *Challenge Deadline*) of the later of (i) the effective date of the challenged redemption (the *Effective Date*) and (ii) the giving of notice by the Partnership with respect to such challenged redemption. If a Challenge is not instituted by such Partner on or prior to the Challenge Deadline, such Partner shall be thereafter foreclosed from instituting any Challenge. It shall be a condition to a Partner instituting any Challenge, that (i) such Partner shall have retained the consideration paid to such Partner in the challenged redemption (the *Redemption Consideration*) in the same form as paid by the Partnership and free from any liens or other encumbrances and (ii) such Partner shall make a binding offer to return such consideration to the Partnership on the Final Adjudication Date of any successful Challenge in the same form as paid by the Partnership and free from any liens or other encumbrances.

(b) Notwithstanding anything in this Agreement or in law or equity to the contrary, any such Partner that institutes a Challenge agrees that, in the event such Partner is successful in whole or in part in such Challenge as finally determined in accordance with this Article XIII in a judgment or arbitration award not subject to further appeal (a *Final Adjudication*), the exclusive remedy available to such Partner in such Challenge shall be, as elected by the General Partner in its sole and absolute discretion within 10 days after the date of the Final Adjudication (the *Final Adjudication Date*), as follows: either (i) promptly following the Partner s return to the Partnership of the Redemption Consideration paid in respect of the challenged redemption in accordance with the binding offer referred to in the last sentence of Section 13.19(a), the Partnership shall restore for the account of such Partner all Units held by such Partner redeemed in the challenged redemption and the Adjusted Capital Account related thereto as both existed on the Effective Date immediately prior to the challenged redemption, without regard or entitlement to any statutory interest on the Adjusted Capital Account with respect to such Units between the Effective Date and the date such Units are restored pursuant to this Section 13.19(b)(i), or (ii) promptly following the Partner s return to the Partnership of the Redemption Consideration paid in respect of the challenged redemption in accordance with the binding offer referred to in the last sentence of Section 13.19(a), the Partnership shall first restore for the account of such Partner all Units held by such Partner redeemed in the challenged redemption and then redeem all of the redeemed Units so restored for cash paid to the Partner in the amount of the Adjusted Capital Account attributable to the restored Units as of the Effective Date immediately prior to the challenged redemption, without regard or entitlement to any statutory interest on such Adjusted Capital Account between the Effective Date and the date such Units are restored pursuant to this Section 13.19(b)(ii), such cash payment to be made at the times, in the amounts and subject to the conditions provided for payments as if the Partner were a Terminated Partner under Article XI in respect of the restored Units so redeemed and subject to all of the other provisions of the Agreement, including, without limitation, Section 3.03. In addition, the Partnership shall pay to the Partner, or the Partner shall pay to the Partnership, as the case may be, without regard or entitlement to any statutory interest, the difference between the amounts of distributions or other payments the Partner received in respect of the challenged Redemption Consideration on and after the Effective Date and the amount of distributions such Partner would have received during such period in respect of his, her or its Units redeemed in the challenged redemption had the challenged redemption not occurred. Any and all returns by a Partner of challenged Redemption Consideration in accordance with the binding offer referred to in the last sentence of Section 13.19(a) shall be made within 20 days of the Final Adjudication Date.

(c) This Section 13.19 shall not limit or restrict any remedies that the Partnership or the General Partner may have under this Agreement, at law or equity, against a Partner that institutes any Challenge to any redemption that is subject to this Section 13.19, and the matters described herein shall be subject to all of the other provisions of the Agreement, including, without limitation, Section 3.03 and Section 2.09(c).

Table of Contents

IN WITNESS WHEREOF, this Agreement has been duly executed by the general partner and limited partner as of the day and year first written above.

BGC GP, LLC

By:
Name:
Title:

CANTOR FITZGERALD, L.P.

By:
Name:
Title:

BGC PARTNERS, LLC

By:
Name:
Title:

[Signature Page to the Agreement of Limited Partnership of BGC Holdings, L.P.,

by and among BGC GP, LLC, Cantor, BGC Partners

and the Persons to be admitted as Partners or otherwise parties hereto]

Table of Contents

Annex D

FORM OF

AGREEMENT OF LIMITED PARTNERSHIP OF

BGC PARTNERS, L.P.

Amended and Restated as of [•], 2008[1]

[1] THE TRANSFER OF THE PARTNERSHIP INTERESTS DESCRIBED IN THIS AGREEMENT IS RESTRICTED AS DESCRIBED HEREIN.

Table of Contents

TABLE OF CONTENTS

CAPITAL AND ACCOUNTING MATTERS

ARTICLE VI

DISTRIBUTIONS

Table of Contents

Table of Contents

This AGREEMENT OF LIMITED PARTNERSHIP (together with all exhibits, annexes and schedules hereto, this *Agreement*) of BGC Partners, L.P., a Delaware limited partnership (the *Partnership*), dated as of [•], 2008, is by and among BGC Holdings, LLC, a Delaware limited liability company (*BGC Holdings, LLC*), as general partner; BGC Holdings, L.P., a Delaware limited partnership, (*Holdings*), as a limited partner, and BGC Holdings U.S., Inc., a Delaware corporation (*BGC Holdings US*), as a limited partner, and the Persons to be admitted as Partners (as defined below) or otherwise parties hereto as set forth herein.

RECITALS

WHEREAS, the Partnership was formed as a limited partnership under the Delaware Revised Uniform Limited Partnership Act, Del. Code Ann. tit. 6, §17-101, *et. seq*., as amended from time to time (the *Act*) pursuant to an Agreement of Limited Partnership, dated as of July 22, 2004, by and among BGC Holdings, LLC, as the general partner, and Cantor Fitzgerald, L.P., a Delaware limited partnership (*Cantor*), as limited partner (as amended and restated on December 7, 2004, the *Original Limited Partnership Agreement*);

WHEREAS, Cantor, BGC Partners, Inc., a Delaware corporation (*BGC Partners*), the Partnership, BGC Global Holdings, L.P., a Cayman Islands exempted limited partnership (*Global Opco*), and Holdings have entered into that certain Separation Agreement, dated as of **[•]**, 2008 (the *Separation Agreement*), pursuant to which, among other things, Cantor has agreed to separate the Inter-Dealer Brokerage Business, the Market Data Business and the Fulfillment Business (each as defined in the Separation Agreement and together, the *BGC Businesses*) from the remainder of the businesses of Cantor by contributing the BGC Businesses to BGC Partners and its applicable Subsidiaries, including the Partnership and Global Opco, in the manner and on the terms and conditions set forth in the Separation Agreement (the *Separation*);

WHEREAS, as part of the Separation, (a) BGC Holdings, LLC will continue as the general partner of the Partnership, but will be indirectly controlled by BGC Partners; (b) BGC Holdings US will become a limited partner of the Partnership; and (c) Holdings will continue as a limited partner of the Partnership; and

WHEREAS, the Partners are amending and restating the Original Partnership Agreement in order to, among other things, provide for or attest to the foregoing transactions contemplated by the Separation Agreement, effective immediately.

NOW, THEREFORE, the parties hereto hereby adopt the following as the amended and restated partnership agreement of the Partnership within the meaning of the Act:

ARTICLE I

DEFINITIONS

SECTION 1.01. *Definitions*. As used in this Agreement, the following terms have the meanings set forth below:

Accounting Period means (a) in the case of the first Accounting Period, the period commencing on the date of this Agreement and ending at the next Closing of the Books Event, and (b) in the case of each subsequent Accounting Period, the period commencing immediately after a Closing of the Books Event and ending at the next Closing of the Books Event.

Act has the meaning set forth in the recitals to this Agreement.

Action means any action, claim, suit, litigation, proceeding (including arbitral) or investigation.

Table of Contents

Affiliate means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person.

Agreement has the meaning set forth in the preamble to this Agreement.

Ancillary Agreements means Ancillary Agreements as defined in the Separation Agreement.

Applicable Tax Rate means the estimated highest aggregate marginal statutory federal, state and local income, franchise and branch profits tax rates (determined taking into account the deductibility of state and local income taxes for federal income tax purposes and the creditability or deductibility of foreign income taxes for federal income tax purposes) (*Tax Rate*) applicable to any Partner on income of the same character and source as the income allocated to such Partner pursuant to Sections 5.04(a) and (b) for such fiscal year, fiscal quarter or other period, as determined by the tax matters partner in its discretion; *provided* that, in the case of a Partner that is a partnership, grantor trust or other pass-through entity under U.S. federal income tax law, the Tax Rate applicable to such Partner for purposes of determining the Applicable Tax Rate shall be the weighted average of the Tax Rates of such Partner s members, grantor-owners or other beneficial owners (weighted in proportion to their relative economic interests in such Partner), as determined by the tax matters partner in its discretion; *provided*, *further*, that if any such member, grantor-owner or other beneficial owner of such Partner is itself a partnership, grantor trust or other-pass through entity, similar principles shall be applied by the tax matters partner in its discretion to determine the Tax Rate of such member, grantor-owner or other beneficial owner.

BGC Business has the meaning set forth in the recitals to this Agreement.

BGC Holdings, LLC has the meaning set forth in the preamble to this Agreement.

BGC Holdings US has the meaning set forth in the preamble to this Agreement.

BGC Partners has the meaning set forth in the recitals to this Agreement.

BGC Partners Common Stock means (1) prior to the Merger, the common units of BGC Partners (regardless of the class of such common units); and (2) after the Merger, the common stock, par value $0.01 per share, of BGC Partners.

BGC Partners Company means any member of the BGC Partners Group.

BGC Partners Group means BGC Partners and its Subsidiaries (other than Holdings and its Subsidiaries, the Partnership and its Subsidiaries and Global Opco and its Subsidiaries).

Business Day shall mean any day excluding Saturday, Sunday and any day on which banking institutions located in New York, New York are authorized or required by applicable Law or other governmental action to be closed.

Cantor has the meaning set forth in the recitals to this Agreement.

Cantor Group means Cantor and its Subsidiaries (other than any member of the Holdings Group or the BGC Partners Group).

Capital means, with respect to any Partner, such Partner s capital in the Partnership as reflected in such Partner s Capital Account.

Capital Account means, with respect to any Partner, such Partner s capital account established on the books and records of the Partnership.

Table of Contents

Certificate of Limited Partnership means the certificate of limited partnership of the Partnership filed with the office of the Secretary of State of the State of Delaware on April 22, 2004.

Closing of the Books Event means any of (a) the close of the last day of each calendar year and each calendar quarter, (b) the dissolution of the Partnership, (c) the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimis amount of property, (d) the distribution by the Partnership to a Partner of more than a de minimis amount of Partnership property as consideration for an interest in the Partnership, or (e) any other time that the General Partner determines to be appropriate for an interim closing of the Partnership s books.

Code means the U.S. Internal Revenue Code of 1986, as amended, or any successor statute thereto.

Contribution means Contribution as defined in the Separation Agreement.

Corporate Opportunity means any business opportunity that the Partnership is financially able to undertake, that is, from its nature, in any of the Partnership s lines of business, is of practical advantage to the Partnership and is one in which the Partnership has an interest or a reasonable expectancy, and in which, by embracing the opportunities, the self-interest of BGC Partners, Holdings or their respective Representatives will be brought into conflict with the Partnership s self-interest.

DGCL has the meaning set forth in Section 9.02(a).

Disinterested Director has the meaning set forth in Section 9.02(i)(i).

Estimated Proportionate Quarterly Tax Distribution means the Proportionate Quarterly Tax Distribution calculated using the Tax Matters Partner s estimate of the aggregate amount of taxable income or gain to be allocated to the Partners pursuant to Section 5.04(a) for the applicable period (excluding any items of income, gain, loss or deduction allocated in respect of any Special Item).

Estimated Tax Due Date means (a) in the case of a Partner that is not an individual, the 15th day of each April, June, September and December or (b) in the case of a Partner that is an individual, the 15th day of each April, June, September and January or, in each of cases (a) and (b), if earlier with respect to any quarter, the date on which BGC Partners is required to make an estimated tax payment.

General Partner means BGC Holdings, LLC or any Person who has been admitted, as herein provided, as an additional or substitute general partner, and who has not ceased to be a general partner, each in its capacity as a general partner of the Partnership.

General Partnership Interest means, with respect to the General Partner, such Partner s Units and Capital designated as the General Partner Interest on *Schedule 4.02* and *Schedule 5.01* in accordance with this Agreement and rights and obligations with respect to the Partnership pursuant to this Agreement and applicable law by virtue of such Partner being a General Partner and having such Units and Capital.

Global Opco has the meaning set forth in the recitals to this Agreement.

Global Opco Units means Units as defined in the Global Opco Limited Partnership Agreement.

Group means the Holdings Group or the BGC Partners Group, as applicable.

Group Transferee has the meaning set forth in Section 7.02(a)(ii).

Group Transferor has the meaning set forth in Section 7.02(a)(ii).

Table of Contents

Holdings has the meaning set forth in the preamble to this Agreement.

Holdings Company means any member of the Holdings Group.

Holdings Group means Holdings and its Subsidiaries (other than the Partnership and its Subsidiaries and Global Opco and its Subsidiaries).

Holdings Limited Partnership Agreement means the Amended and Restated Limited Partnership Agreement of BGC Holdings, L.P., as amended from time to time.

Holdings Units means Units as defined in the Holdings Limited Partnership Agreement.

Independent Counsel has the meaning set forth in Section 9.02(i)(ii).

Interest means the General Partnership Interest and any Limited Partnership Interest (including, for the avoidance of doubt, the Special Voting Limited Partnership Interest).

Limited Partner means any Person who has acquired a Limited Partnership Interest pursuant to and in compliance with this Agreement and who shall have been admitted to the Partnership as a Limited Partner in accordance with this Agreement and shall not have ceased to be a Limited Partner under the terms of this Agreement, each in its capacity as a limited partner of the Partnership.

Limited Partnership Interest means, with respect to any Limited Partner, such Partner s Units and Capital designated as a Limited Partnership Interest (including, for the avoidance of doubt, designation as a Special Voting Limited Partnership Interest) on *Schedule 4.02* and *Schedule 5.01* in accordance with this Agreement and rights and obligations with respect to the Partnership pursuant to this Agreement and applicable law by virtue of such Partner holding such Units and having such Capital.

Majority in Interest means Limited Partner(s) holding a majority of the Units underlying the Limited Partnership Interests outstanding as of the applicable record date; *provided*, *however*, that if the Holdings Group shall hold a Majority in Interest and the Cantor Group shall hold a majority of the Units underlying the Exchangeable Limited Partnership Interests of Holdings, then Majority in Interest for purposes of this Agreement shall mean Cantor.

Original Limited Partnership Agreement has the meaning set forth in the recitals to this Agreement.

Partners means the Limited Partners (including, for the avoidance of doubt, the Special Voting Limited Partner) and the General Partner, and *Partner* means any of the foregoing.

Partnership has the meaning set forth in the preamble to this Agreement.

Percentage Interest means, as of the applicable calculation time, with respect to a Partner, the ratio, expressed as a percentage, of the number of Units held by such Partner over the number of Units held by all Partners.

Person means any individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, governmental entity or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

proceeding has the meaning set forth in Section 9.02(a).

Proportionate Quarterly Tax Distribution means, for each Partner for each fiscal quarter or other applicable period, such Partner s Proportionate Tax Share for such fiscal quarter or other applicable period.

Table of Contents

Proportionate Tax Share means, with respect to a Partner, the product of (a) the Tax Distribution for the fiscal year, fiscal quarter or other period, as applicable, and (b) the Percentage Interest of such Partner for such fiscal year, fiscal quarter or other period. In the event that the Percentage Interest of a Partner changes during any fiscal year, fiscal quarter or other period, the Proportionate Tax Share of such Partner and the other Partners, as the case may be, for such fiscal year, fiscal quarter or other period shall be appropriately adjusted to take into account the Partners varying interests.

Representatives means, with respect to any Person, the Affiliates, directors, officers, employees, general partners, agents, accountants, managing member, employees, counsel and other advisors and representatives of such Person.

Separation has the meaning set forth in the recitals to this Agreement.

Separation Agreement has the meaning set forth in the recitals to this Agreement.

Special Item means the matters set forth on *Schedule A*.

Special Voting Limited Partner means the Limited Partner holding the Special Voting Limited Partnership Interest pursuant to and in compliance with this Agreement and who shall have been admitted to the Partnership as a Limited Partner designated as the Special Voting Limited Partner in accordance with this Agreement and shall not have ceased to be a Limited Partner designated as the Special Voting Limited Partner under the terms of this Agreement.

Special Voting Limited Partnership Interest means, with respect to the Special Voting Limited Partner, such Partner s Unit and Capital designated as the Special Voting Limited Partnership Interest on *Schedule 4.02* and *Schedule 5.01* in accordance with this Agreement and rights and obligations with respect to the Partnership pursuant to this Agreement and applicable law by virtue of such Partner holding such Units and having such Capital.

Subsidiary means, as of the relevant date of determination, with respect to any Person, any corporation or other Person of which 50% or more of the voting power of the outstanding voting equity securities or 50% or more of the outstanding economic equity interest is held, directly or indirectly, by such Person.

Tax Distribution means, for any fiscal quarter or fiscal year or other period of the Partnership during the term of the Partnership, the product of (a) the aggregate amount of taxable income or gain allocated to the Partners pursuant to Section 5.04(a) for such period (excluding any item of income, gain, loss or deduction allocated in respect of any Special Item) and (b) the Applicable Tax Rate for such period.

Transfer means any transfer, sale, conveyance, assignment, gift, hypothecation, pledge or other disposition, whether voluntary or by operation of law, of all or any part of an Interest or any right, title or interest therein.

Transferee means the transferee in a Transfer or proposed Transfer.

Transferor means the transferor in a Transfer or proposed Transfer.

UCC has the meaning set forth in Section 4.07.

Unit means, with respect to any Partner, such Partner s partnership interest in the Partnership entitling the holder to a share in the Partnership s profits, losses and operating distributions as provided in this Agreement.

Table of Contents

SECTION 1.02. *Other Definitional Provisions*. Wherever required by the context of this Agreement, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter genders and vice versa, and references to any agreement, document or instrument shall be deemed to refer to such agreement, document or instrument as amended, supplemented or modified from time to time. When used herein:

(a) the word *or* is not exclusive unless the context clearly requires otherwise;

(b) the word *control* (including, with correlative meanings, the terms *controlled by* and *under common control with*), as used with respect to any Person, means the direct or indirect possession of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise;

(c) the words *including*, *includes*, *included* and *include* are deemed to be followed by the words *without limitation* ;

(d) the terms *herein*, *hereof* and *hereunder* and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision; and

(e) all section, paragraph or clause references not attributed to a particular document shall be references to such parts of this Agreement, and all exhibit, appendix, annex and schedule references not attributed to a particular document shall be references to such exhibits, appendixes, annexes and schedules to this Agreement.

SECTION 1.03. *References to Schedules*. The General Partner shall maintain and revise from time to time all schedules referred to in this Agreement in accordance with this Agreement. Notwithstanding anything in Section 10.02 to the contrary, any such revision shall not be deemed an amendment to this Agreement, and shall not require any further act, vote or approval of any Person.

ARTICLE II

FORMATION, CONTINUATION AND POWERS

SECTION 2.01. *Formation*. Effective as of 2:33 p.m., Wilmington, Delaware time, on April 22, 2004, the Partnership was formed pursuant to the laws of the State of Delaware pursuant to a Certificate of Limited Partnership. The Original Limited Partnership Agreement was entered into on July 22, 2004, and was amended and restated on December 7, 2004, and, prior to the effectiveness of this Agreement, as amended and restated on December 7, 2004, constitutes the partnership agreement (as defined in the Act) of the parties thereto. The Original Limited Partnership Agreement shall be amended and restated in its entirety to be this Agreement effective immediately prior to the closing of the Contribution pursuant to the Separation Agreement, and this Agreement shall thereafter constitute the partnership agreement (as defined in the Act) of the parties hereto.

SECTION 2.02. *Name*. The name of the Partnership is BGC Partners, L.P.

SECTION 2.03. *Purpose and Scope of Activity*. The purpose of the Partnership shall be to conduct any and all activities permitted under the Act. The Partnership shall possess and may exercise all the powers and privileges granted by the Act or by any other law or by this Agreement, together with any powers incidental thereto, that are necessary or convenient to the conduct, promotion or attainment of the business, purposes or activities of the Partnership.

SECTION 2.04. *Principal Place of Business*. For purposes of the Act, the principal place of business of the Partnership shall be located in New York, New York or at such other place as may hereafter be designated from time to time by the General Partner. The Partnership, committee and officer meetings shall take place at the Partnership s principal place of business unless decided otherwise for any particular meeting.

Table of Contents

The Partnership may qualify to transact business in such other states and under such assumed business names (for which all applicable assumed business name certificates or filings shall be made) as the General Partner shall determine. Each Partner shall execute, acknowledge, swear to and deliver all certificates or other documents necessary or appropriate to qualify, continue and terminate the Partnership as a foreign limited partnership in such jurisdictions in which the Partnership may conduct or cease to conduct business, as applicable.

SECTION 2.05. *Registered Agent and Office*. The registered agent for service of process is, and the mailing address of the registered office of the Partnership in the State of Delaware is in care of, The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware. At any time, the Partnership may designate another registered agent and/or registered office.

SECTION 2.06. *Authorized Persons*. The execution and causing to be filed of the Certificate of Limited Partnership by the applicable authorized Persons on behalf of the General Partner are hereby specifically ratified, adopted and confirmed. The officers of the Partnership and the General Partner are hereby designated as authorized Persons to act in connection with executing and causing to be filed, when approved by the appropriate governing body or bodies hereunder, any certificates required or permitted to be filed with the Secretary of State of the State of Delaware and any certificates (and any amendments and/or restatements thereof) necessary for the Partnership to file in any jurisdiction in which the Partnership is required to make a filing.

SECTION 2.07. *Term*. The term of the Partnership began on the date the Certificate of Limited Partnership of the Partnership became effective, and the Partnership shall have perpetual existence unless sooner dissolved as provided in Article VIII.

SECTION 2.08. *Treatment as Partnership*. Except as otherwise required pursuant to a determination within the meaning of Section 1313(a)(1) of the Code, the parties shall treat the Partnership as a partnership for United States federal income tax purposes and agree not to take any action or fail to take any action which action or inaction would be inconsistent with such treatment.

SECTION 2.09. *Compliance with Law*. The Partnership shall use its best efforts to comply with any and all governmental requirements applicable to it, including the making of any and all necessary or advisable governmental registrations.

ARTICLE III

MANAGEMENT

SECTION 3.01. *Management by the General Partner*. (a) Subject to the terms and provisions of this Agreement, the management and control of the business and affairs of the Partnership shall be vested solely in, and directed and exercised solely by, the General Partner. In furtherance of the activities of the Partnership, subject to the terms and provisions of this Agreement, the General Partner shall have all rights and powers, statutory or otherwise, possessed by general partners of limited partnerships under the laws of the State of Delaware.

(b) Except as otherwise expressly provided herein, the General Partner has full and exclusive power and authority to do, on behalf of the Partnership, all things that are deemed necessary, appropriate or desirable by the General Partner to conduct, direct and manage the business and other affairs of the Partnership and is authorized and empowered, on behalf and in the name of the Partnership, to carry out and implement, directly or through such agents as the General Partner may appoint, such actions and execute such documents as the General Partner may deem necessary or advisable, or as may be incidental to or necessary for the conduct of the business of the Partnership.

Table of Contents

(c) The General Partner agrees to use its best efforts to meet all requirements of the Code and currently applicable regulations, rulings and other procedures of the Internal Revenue Service to ensure that the Partnership will be classified for United States federal income tax purposes as a partnership.

(d) The General Partner may appoint officers, managers or agents of the Partnership and may delegate to such officers, managers or agents all or part of the powers, authorities, duties or responsibilities possessed by or imposed on the General Partner pursuant to this Agreement (without limitation on the General Partner s ability to exercise such powers, authorities or responsibilities directly at any time); *provided* that, notwithstanding anything herein or in any other agreement to the contrary, the General Partner may remove any such officer, manager or agent, and may revoke any or all such powers, authorities and responsibilities so delegated to any such person, in each case at any time with or without cause. The officers of the Partnership shall consist of such positions and titles that the General Partner may in its discretion designate or create, including a Chairman, a Chief Executive Officer, a President, a Chief Financial Officer, one or more Vice Presidents, a Treasurer, one or more Assistant Treasurers, a Secretary or one or more Assistant Secretaries. A single person may hold more than one office. Each officer shall hold office until his successor is chosen, or until his death, resignation or removal from office.

Each of such officers shall have such powers and duties with respect to the business and other affairs of the Partnership, and shall be subject to such restrictions and limitations, as are prescribed from time to time by the General Partner; *provided*, *however*, that each officer shall at all times be subject to the direction and control of the General Partner in the performance of such powers and duties.

(e) Notwithstanding anything to the contrary herein, without the prior written consent of the Limited Partners (by affirmative vote of a Majority in Interest), the General Partner shall not take any action that may adversely affect Cantor s Purchase Right (as defined in the Separation Agreement) in Section 4.11 of the Separation Agreement.

SECTION 3.02. *Role and Voting Rights of Limited Partners; Authority of Partners*. (a) *Limitation on Role of Limited Partners*. No Limited Partner shall have any right of control or management power over the business or other affairs of the Partnership as a result of its status as a Limited Partner except as otherwise provided in this Agreement. No Limited Partner shall participate in the control of the Partnership s business in any manner that would, under the Act, subject such Limited Partner to any liability beyond those liabilities expressly contemplated hereunder, including holding himself, herself or itself out to third parties as a general partner of the Partnership; *provided* that any Limited Partner may be an employee of the Partnership or any of its Affiliates and perform such duties and do all such acts required or appropriate in such role, and no such performance or acts shall subject such Limited Partner to any liability beyond those liabilities expressly contemplated hereunder. Without limiting the generality of the foregoing, in accordance with, and to the fullest extent permitted by the Act (including Section 17-303 thereof), Limited Partners (directly or through an Affiliate) (i) may consult with and advise the General Partner or any other Person (including, if applicable, the general partner of the General Partner) with respect to any matter, including the business of the Partnership, (ii) may, or may cause the General Partner or any other Person (including, if applicable, the general partner of the General Partner) to, take or to refrain from taking any action, including by proposing, approving, consenting or disapproving, by voting or otherwise, with respect to any matter, including the business of the Partnership, (iii) may transact business with the General Partner (including, if applicable, the general partner of the General Partner) or the Partnership, and (iv) may be an officer, director, partner or stockholder of the General Partner (including, if applicable, the general partner of the General Partner) or have its Representatives serve as officers or directors of the General Partner (including, if applicable, of the general partner of the General Partner) without incurring additional liabilities to third parties.

(b) *No Limited Partner Voting Rights*. To the fullest extent permitted by Section 17-302(f) of the Act, the Limited Partners shall not have any voting rights under the Act, this Agreement or otherwise, and shall not be entitled to consent to, approve or authorize any actions by the Partnership or the General Partner, except in each case as otherwise provided in this Agreement.

Table of Contents

(c) *Authority of Partners*. Except as set forth herein with respect to the General Partner, no Limited Partner shall have any power or authority, in such Partner s capacity as a Limited Partner, to act for or bind the Partnership except to the extent that such Limited Partner is so authorized in writing prior thereto by the General Partner. Without limiting the generality of the foregoing, except as set forth herein with respect to the General Partner, no Limited Partner, as such, shall, except as so authorized, have any power or authority to incur any liability or execute any instrument, agreement or other document for or on behalf of the Partnership, whether in the Partnership s name or otherwise. Persons dealing with the Partnership are entitled to rely conclusively upon the power and authority of the General Partner. Each Limited Partner hereby agrees that, except to the extent provided in this Agreement and except to the extent that such Limited Partner shall be the General Partner, it will not participate in the management or control of the business and other affairs of the Partnership, will not transact any business for Partnership and will not attempt to act for or bind the Partnership.

ARTICLE IV

PARTNERS; CLASSES OF PARTNERSHIP INTERESTS

SECTION 4.01. *Partners*. The Partnership shall have (a) a General Partner and, (b) one or more Limited Partners (including, for the avoidance of doubt, the Special Voting Limited Partner). *Schedule 4.01* sets forth the name and address of the Partners. *Schedule 4.01* shall be amended pursuant to Section 1.03 to reflect any change in the identity or address of the Partners in accordance with this Agreement. Each Person admitted to the Partnership as a Partner pursuant to this Agreement shall be a partner of the Partnership until such Person ceases to be a Partner in accordance with the provisions of this Agreement.

SECTION 4.02. *Interests*. (a) *Generally*. (i) *Classes of Interests*. Interests in the Partnership shall be divided into two classes: (A) a General Partnership Interest; and (B) Limited Partnership Interests (including, for the avoidance of doubt, the Special Voting Limited Partnership Interest). The General Partnership Interest and the Limited Partnership Interests shall consist of, and be issued as, Units and Capital. The aggregate number of authorized Units is 600,000,000. The aggregate number of authorized Units shall not be changed, modified or adjusted from that set forth in the immediately preceding sentence; *provided* that, in the event that the total number of authorized shares of BGC Partners Common Stock under the certificate of incorporation of BGC Partners shall be increased or decreased after the date of this Agreement, then the total number of authorized Units shall be correspondingly increased or decreased by the same number so that the number of the authorized Units equals the number of authorized shares of BGC Partners Common Stock. Any Units repurchased by or otherwise transferred to the Partnership or otherwise forfeited or cancelled shall be cancelled and thereafter deemed to be authorized but unissued, and may be subsequently issued as Units for all purposes hereunder in accordance with this Agreement.

(ii) *Issuances of Additional Units*. Any authorized but unissued Units may be issued:

(1) pursuant to the Contribution and Schedule 2.03 of the Separation Agreement;

(2)(A) to members of the BGC Partners Group and/or Holdings Group, as the case may be, in connection with an investment in the Partnership by the members of the BGC Partners Group and/or Holdings Group, as the case may be, in each case as provided in Section 4.11 of the Separation Agreement;

(3) to members of the Holdings Group, in connection with a redemption pursuant to Section 12.03 of the Holdings Limited Partnership Agreement

(4) as otherwise agreed by each of the General Partner and the Limited Partners (by affirmative vote of a Majority in Interest);

(5) to BGC Partners or Holdings in connection with a grant of equity by BGC Partners or Holdings, respectively, pursuant to the BGC Holdings, L.P. Participation Plan; and

Table of Contents

(6) to any Partner in connection with a conversion of an issued Unit and Interest into a different class or type of Unit and Interest in accordance with this Agreement;

provided that each Person to be issued additional Units pursuant to clauses (1), (2), (3), (4) or (5) of this sentence shall, as a condition to such issuance, execute and deliver to the Partnership an agreement in which the such Person agrees to be admitted as a Partner with respect to such Units and bound by this Agreement and any other agreements, documents or instruments specified by the General Partner; *provided*, *however*, that if such Person (A) is at the time of such issuance a Partner of the applicable class of Interests being issued or (B) has previously entered into an agreement pursuant to which such Person shall have agreed to become a Partner and be bound by this Agreement with respect to the applicable class of Interests being issued (which agreement is in effect at the time of such issuance), such Person shall not be required to enter into any such agreements unless otherwise determined by the General Partner. Upon any such issuance, any such Person not already a Partner shall be admitted as a limited partner with respect to the issued Interests.

(b) *General Partnership Interest*. The Partnership shall have one General Partnership Interest. The Unit issued to the General Partner in respect of such Partner s General Partnership Interest is set forth on *Schedule 4.02*. *Schedule 4.02* shall be amended pursuant to Section 1.03 to reflect any change in the number or the issuance or allocation of the Unit in respect of such Partner s General Partnership Interest in accordance with this Agreement.

(c) *Limited Partnership Interests*. (i) The Partnership shall have one or more Limited Partnership Interests. The number of Units issued to each Limited Partner in respect of such Partner s Limited Partnership Interest is set forth on *Schedule 4.02*. *Schedule 4.02* shall be amended pursuant to Section 1.03 to reflect any change in the number or the issuance or allocation of the Units in respect of such Partner s Limited Partnership Interest in accordance with this Agreement.

(ii) The Partnership shall have one Limited Partnership Interest designated as the Special Voting Limited Partnership Interest, as provided in Section 4.03(b). There shall only be one (1) Unit associated with the Special Voting Limited Partnership Interest. All other Limited Partnership Interests shall be designated as Limited Partnership Interests.

(d) *No Additional Classes of Interests*. There shall be no additional classes of partnership interests in the Partnership.

SECTION 4.03. *Admission and Withdrawal of Partners*. (a) *General Partner*. (i) The initial General Partner is BGC Holdings, LLC. On the date of this Agreement, immediately following the Separation, BGC Holdings, LLC shall have the General Partnership Interest, which shall have the Unit and the Capital set forth on *Schedule 4.02* and *Schedule 5.01*, respectively.

(ii) The admission of a Transferee as a General Partner, and resignation or withdrawal of any General Partner, shall be governed by Section 7.02.

(iii) Effective immediately upon the Transfer of the General Partner s entire General Partnership Interest as provided in Section 7.02(c), such Partner shall cease to have any interest in the profits, losses, assets, properties or capital of the Partnership with respect to such General Partnership Interest and shall cease to be the General Partner.

(b) *Limited Partners*. (i) The initial Limited Partners are Holdings and BGC Holdings US, and the initial Special Voting Limited Partner is BGC Holdings, LLC. On the date of this Agreement, immediately following the Separation, the Limited Partners shall have the Limited Partnership Interests (including, for the avoidance of doubt, the Special Voting Limited Partnership Interest), which shall have the Units and the Capital set forth on *Schedule 4.02* and *Schedule 5.01*, respectively.

(ii) The admission of a Transferee as a Limited Partner pursuant to any Transfer permitted by Section 7.02(a) or 7.02(b), as applicable, shall be governed by Section 7.02, and the admission of a

Table of Contents

Person as a Limited Partner in connection with the issuance of additional Units pursuant to Section 4.02(a)(ii) shall be governed by such applicable Section.

(iii) Effective immediately upon the Transfer of a Limited Partner s entire Limited Partnership Interest as provided in Section 7.02(a) or 7.02(b), as applicable, such Partner shall cease to have any interest in the profits, losses, assets, properties or capital of the Partnership with respect to such Limited Partnership Interest, and shall cease to be a Limited Partner.

(c) *No Additional Partners*. No additional Partners shall be admitted to the Partnership except in accordance with this Article IV.

SECTION 4.04. *Liability to Third Parties; Capital Account Deficits*. (a) Except as may otherwise be expressly provided by the Act, the General Partner shall have unlimited personal liability for the satisfaction and discharge of all debts, liabilities, contracts and other obligations of the Partnership. The General Partner shall not be personally liable for the return of any portion of the capital contribution of any Limited Partner, the return of which shall be made solely from the Partnership s assets.

(b) Except as may otherwise be expressly provided by the Act or this Agreement, no Limited Partner shall be liable for the debts, liabilities, contracts or other obligations of the Partnership. Each Limited Partner shall be liable only to make its capital contributions as provided in this Agreement or the Separation Agreement or as otherwise agreed by such Limited Partner and the Partnership in writing after the date of this Agreement and shall not be required, after its capital contribution shall have been paid, to make any further capital contribution to the Partnership or to lend any funds to the Partnership except as otherwise expressly provided in this Agreement or the Separation Agreement or as otherwise agreed by such Limited Partner and the Partnership in writing after the date of this Agreement. No Limited Partner shall be required to repay the Partnership, any Partner or any creditor of the Partnership any negative balance in such Limited Partner s Capital Account.

(c) No Limited Partner shall be liable to make up any deficit in its Capital Account; *provided* that nothing in this Section 4.04(c) shall relieve a Partner of any liability it may otherwise have, either pursuant to the terms of this Agreement or pursuant to the terms of any agreement to which the Partnership or such Partner may be a party.

SECTION 4.05. *Classes*. Any Person may own one or more classes of Interests. Except as otherwise specifically provided herein, the ownership of other classes of Interests shall not affect the rights or obligations of a Partner with respect to other classes of Interests. As used in this Agreement, the General Partner and the Limited Partners (including the Special Voting Limited Partner) shall be deemed to be separate Partners even if any Partner holds more than one class of Interest. References to a certain class of Interest with respect to any Partner shall refer solely to that class of Interest of such Partner and not to any other class of Interest, if any, held by such Partner.

SECTION 4.06. *Certificates*. The Partnership may, in the discretion of the General Partner, issue any or all Units in certificated form, which certificates shall be held by the Partnership as custodian for the applicable Partners. The form of any such certificates shall be approved by the General Partner and include the legend required by Section 7.06. If certificates are issued, a transfer of Units will require delivery of an endorsed certificate.

SECTION 4.07. *Uniform Commercial Code Treatment of Units*. Each Unit in the Partnership shall constitute a security within the meaning of, and governed by, (i) Article 8 of the Uniform Commercial Code (including Section 8-102(a)(15) thereof) as in effect from time to time in the State of Delaware (6 *Del. C.* § 8-101, *et seq*.) (the *UCC*), and (ii) Article 8 of the Uniform Commercial Code of any other applicable jurisdiction that now or hereafter substantially includes the 1994 revisions to Article 8 thereof as adopted by the American Law Institute and the National Conference of Commissioners on Uniform State Laws and approved by the American Bar Association on February 14, 1995. Notwithstanding any provision of this Agreement to the

Table of Contents

contrary, to the extent that any provision of this Agreement is inconsistent with any non-waivable provision of Article 8 of the UCC, such provision of Article 8 of the UCC shall control. The Partnership shall maintain books for the purpose of registering the transfer of Units. Any transfer of Units shall be effective as of the registration of the transfer of such Units in the books and records of the Partnership.

SECTION 4.08. *Priority Among Partners*. No Partner shall be entitled to any priority or preference over any other Partner either as to return of capital contributions or as to profits, losses or distributions, except to the extent that this Agreement may be deemed to establish such a priority or preference.

ARTICLE V

CAPITAL AND ACCOUNTING MATTERS

SECTION 5.01. *Capital*. (a) *Capital* Accounts. There shall be established on the books and records of the Partnership a *Capital Account* for each Partner. *Schedule 5.01* sets forth the names and the Capital Account of the Partners as of the date of this Agreement. *Schedule 5.01* shall be amended pursuant to Section 1.03 to reflect any change in the identity or Capital Accounts in accordance with this Agreement.

(b) *Capital Contributions*. (i) On the date of this Agreement, contributions of assets, property and/or cash shall be made by or on behalf of the Partners listed on *Schedule 4.01* in connection with the Contribution, pursuant to the terms set forth in the Separation Agreement.

(ii) In return for such initial contributions, Interests shall be issued or Transferred to the Partners as provided on *Schedule 5.01*.

(iii) The parties shall treat the contributions described in this Section 5.01(b) as contributions pursuant to Section 721 of the Code in which no gain or loss is recognized to any extent, except as otherwise required pursuant to a determination within the meaning of Section 1313(a)(1) of the Code.

(iv) Except as otherwise provided in Section 5.01(b)(i), no capital contributions shall be required (A) unless otherwise determined by the General Partner and agreed to by the contributing Partner, or (B) unless otherwise determined by the General Partner in connection with the admission of a new Partner or the issuance of additional Interests to a Partner.

(v) The Partnership may invest or cause to be invested all amounts received by the Partnership as capital contributions in its sole and absolute discretion.

SECTION 5.02. *Withdrawals; Return on Capital*. No Partner shall be entitled to withdraw or otherwise receive any distributions in respect of any Interest (including the associated Units or Capital), except as provided in Section 6.01 or Section 8.03. The Partners shall not be entitled to any return on their Capital.

SECTION 5.03. *Maintenance of Capital Accounts*. As of the end of each Accounting Period, the balance in each Partner s Capital Account shall be adjusted by (a) increasing such balance by (i) such Partner s allocable share of each item of the Partnership s income and gain for such Accounting Period (allocated in accordance with Section 5.04(a)) and (ii) the amount of cash or the fair market value of other property (determined in accordance with Section 5.05) contributed to the Partnership by such Partner in respect of such Partner s related Interest during such Accounting Period, net of liabilities assumed by the Partnership with respect to such other property, and (b) decreasing such balance by (i) the amount of cash or the fair market value of other property (determined in accordance with Section 5.05) distributed to such Partner in respect of such class of Interest associated with such Capital Account pursuant to this Agreement, net of liabilities (if any) assumed by such Partner with respect to such other property, and (ii) such Partner s allocable share of each item of the Partnership s deduction and loss for such Accounting Period (allocated in accordance with Section 5.04(a)). The balances in each Partners Capital Account shall also be adjusted at the time and in the manner permitted by the capital accounting rules of the Treasury Regulation section 1.704-1(b)(2)(iv)(f). The foregoing and the other provisions of this Agreement

Table of Contents

relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulation section 1.704-1(b), and shall be interpreted and applied in a manner consistent therewith.

SECTION 5.04. *Allocations and Tax Matters*. (a) *Book Allocations*. After giving effect to the allocations set forth in Section 2 of *Exhibit A* hereto, for purposes of computing Capital Accounts and allocating any items of income, gain, loss or deduction thereto, with respect to each Accounting Period, all remaining items of income, gain, loss or deduction of the Partnership (calculated in the manner contemplated by the capital accounting rules of the Treasury Regulations promulgated under Section 704(b) of the Code, and regardless of whether the Partnership has net income) shall be allocated among the Capital Accounts of the Interests in proportion to their Percentage Interest as of the end of such Accounting Period; *provided*, *however*, that upon any Closing of the Books Event (other than an event described in clauses (a) of such definition), the value of each asset on the books of the Partnership shall be adjusted to equal its gross fair market value (as reasonably determined by the General Partner) at such time, and the amount of such adjustment shall be taken into account as gain (if such adjustment is positive) or loss (if such adjustment is negative) from the disposition of such asset for purposes of this Section 5.04(a); *provided*, *further*, that any and all items of income, gain, loss or deduction to the extent resulting from a Special Item will be allocated entirely to the Capital Accounts of the Limited Partnership Interests (other than the Special Voting Limited Partnership Interest) held by Partners who are members of the Holdings Group, *pro rata* in proportion to the number of Units (other than the Units underlying the Special Voting Limited Partnership Interest) held by such Partners. If, after any allocation of items of income, gain, loss or deduction resulting from a Special Item, there is an exchange of an Exchangeable Limited Partnership Interest (as defined in the Holdings Limited Partnership Agreement) or a Founding Partner Interest (as defined in the Holdings Limited Partnership Agreement) with BGC Partners for BGC Partners Common Stock, then (A) the Capital Account of the Limited Partnership Interests provided to BGC Partners in connection with such exchange pursuant to Section 8.07 of the Holdings Limited Partnership Agreement shall be equal to (1) the total Capital for all issued and outstanding Interests, *divided by* (2) the total number of issued and outstanding Units, *multiplied by* (3) the number of Units underlying such Limited Partnership Interest (as appropriately adjusted to reflect the impact of any Special Item and the intention of the Parties for Holdings (and not BGC Partners) to realize the economic benefits and burdens of such Special Item); and (B) any increase or decrease in the remaining Capital for all issued and outstanding Interests as a result of clause (A) of this sentence shall be allocated to the Capital Accounts of the Limited Partnership Interests (other than the Special Voting Limited Partnership Interest) held by Partners who are members of the Holdings Group, *pro rata* in proportion to the number of Units (other than the Units underlying the Special Voting Limited Partnership Interest) held by such Partners.

(b) *Tax Allocations*. Except as otherwise required under Section 704(c) of the Code and the Treasury Regulations promulgated thereunder, the Partnership shall cause each item of income, gain, loss or deduction recognized by the Partnership to be allocated among the Partners for U.S. federal, state and local income and, where relevant, non-U.S. tax purposes in the same manner that each such item is allocated to the Partners Capital Accounts or as otherwise provided herein. In the event the value of any Partnership assets is adjusted pursuant to the first proviso of Section 5.04(a), subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for United States federal income tax purposes and its adjusted value in the same manner as under Section 704(c) of the Code and the Regulations thereunder. Allocations required by Section 704(c) of the Code shall be made using the traditional method described in Treasury Regulation Section 1.704-3(b).

SECTION 5.05. *General Partner Determinations*. All determinations, valuations and other matters of judgment required to be made for purposes of this Article V, including with respect to allocations to Capital Accounts and accounting procedures and tax matters not expressly provided for by the terms of this Agreement, or for determining the value of any type or form of proceeds, contribution or distributions hereunder shall be made by the General Partner in good faith. In the event that an additional Partner is admitted to the Partnership and contributes property to the Partnership, or an existing Partner contributes additional property to the Partnership, pursuant to this Agreement, the value of such contributed property shall be the fair market value of such property as reasonably determined by the General Partner.

Table of Contents

SECTION 5.06. *Books and Accounts*. (a) The Partnership shall at all times keep or cause to be kept true and complete records and books of account, which records and books shall be maintained in accordance with U.S. generally accepted accounting principles. Such records and books of account shall be kept at the principal place of business of the Partnership by the General Partner. The Limited Partners shall have the right to gain access to all such records and books of account (including schedules thereto) for inspection and view (at such reasonable times as the General Partner shall determine) for any purpose reasonably related to their Interests. The Partnership s accounts shall be maintained in U.S. dollars.

(b) The Partnership s fiscal year shall begin on the first day of January and end on the thirty-first day of December of each year, or shall be such other period designated by the General Partner. At the end of each fiscal year, the Partnership s accounts shall be prepared, presented to the General Partner and submitted to the Partnership s auditors for examination.

(c) The Partnership s auditors shall be an independent accounting firm of international reputation to be appointed from time to time by the General Partner. The Partnership s auditors shall be entitled to receive promptly such information, accounts and explanations from the General Partner and each Partner that they deem reasonably necessary to carry out their duties. The Partners shall provide such financial, tax and other information to the Partnership as may be reasonably necessary and appropriate to carry out the purposes of the Partnership.

SECTION 5.07. *Tax Matters Partner*. The General Partner is hereby designated as the tax matters partner of the Partnership, in accordance with the Treasury Regulations promulgated pursuant to Section 6231 of the Code and any similar provisions under any other state or local or non-U.S. tax laws. The General Partner shall have the authority, in its sole and absolute discretion, to (a) make an election under Section 754 of the Code on behalf of the Partnership, and each Partner agrees to provide such information and documentation as the General Partner may reasonably request in connection with any such election, (b) determine the manner in which excess nonrecourse liabilities (within the meaning of Treasury Regulation Section 1.752-3(a)(3)) are allocated among the Partners and (c) make any other election or determination with respect to taxes (including with respect to depreciation, amortization and accounting methods).

SECTION 5.08. *Tax Information*. The Partnership shall use commercially reasonable efforts to prepare and mail as soon as reasonably practicable after the end of each taxable year of the Partnership, to each Partner (and each other Person that was such a Partner during such taxable year or its legal representatives), U.S. Internal Revenue Service Schedule K-1, Partner s Share of Income, Credits, Deductions, Etc., or any successor schedule or form, for such Person.

SECTION 5.09. *Withholding*. Notwithstanding anything herein to the contrary, the Partnership is authorized to withhold from distributions and allocations to the Partners, and to pay over to any federal, state, local or foreign governmental authority any amounts believed in good faith to be required to be so withheld pursuant to the Code or any provision of any other federal, state, local or foreign law and, for all purposes under this Agreement, shall treat such amounts (together with any amounts that are withheld from payments to the Partnership or any of its Subsidiaries attributable to a direct or indirect Partner of the Partnership) as distributed to those Partners with respect to which such amounts were withheld. If the Partnership is obligated to pay any amount to a taxing authority on behalf of (or in respect of an obligation of) a Partner (including, federal, state and local or other withholding taxes), then such Partner shall indemnify the Partnership in full for the entire amount of any Tax (but not any interest, penalties or other expenses associated with such payment).

Table of Contents

ARTICLE VI

DISTRIBUTIONS

SECTION 6.01. *Distributions in Respect of Partnership Interests*. Subject to the remaining sentences of this Section 6.01, the Partnership shall distribute to each Partner from such Partner s Capital Account (a) on or prior to each Estimated Tax Due Date (i) such Partner s Estimated Proportionate Quarterly Tax Distribution for such fiscal quarter, *plus* (ii) with respect to Partners who are members of the Holdings Group, an amount (positive or negative) calculated using the methodology contemplated by the definition Estimated Proportionate Quarterly Tax Distribution (taking into account for this purpose items of income, gain, loss or deduction allocated in respect of any Special Item and disregarding all other items) for such fiscal quarter in respect of any items of income, gain, loss or deduction allocated in respect of any Special Item, and (b) as promptly as practicable after the end of each fiscal quarter of the Partnership (as determined by the General Partner) an amount equal to the excess (if any) of (x) the net positive cumulative amount allocated to such Partner s Capital Account pursuant to Section 5.04(a) or *Exhibit A* hereto after the date of this Agreement over (y) the amount of any prior distributions to such Partner pursuant to this Section 6.01; *provided* that in each case appropriate adjustments shall be made to reflect any amounts treated as distributed pursuant to Section 5.09; *provided, however*, that with the prior written consent of the holders of a Majority in Interest of the Limited Partnership Interests, the Partnership may decrease the total amount distributed by the Partnership pursuant to Section 6.01(b). Notwithstanding anything to the contrary set forth in this Section 6.01, in the event the Partnership is unable to make the distributions contemplated by the foregoing as a result of any Special Item, then the Partnership shall use reasonable best efforts to borrow such amounts as are necessary to make distributions that would have been received by the BGC Partners Group in the absence of any such Special Item and to make the Estimated Proportionate Quarterly Tax Distributions to the Cantor Group, and the costs of any such costs borrowing shall be treated as a Special Item. No distributions shall be made by the Partnership except as expressly contemplated by Sections 6.01(a), 6.01(b) and 8.03(a).

SECTION 6.02. *Limitation on Distributions*. Notwithstanding any provision to the contrary contained in this Agreement, the Partnership and the General Partner, on behalf of the Partnership, shall not be required to make a distribution to a Partner on account of its interest in the Partnership if such distribution would violate the Act or any other applicable law.

ARTICLE VII

TRANSFERS OF INTERESTS

SECTION 7.01. *Transfers Generally Prohibited*. No Partner may Transfer or agree or otherwise commit to Transfer all or any portion of, or any of rights, title and interest in and to, its Interest, except as permitted by the terms and conditions set forth in this Article VII. The Schedules shall be deemed to be amended from time to time to reflect any change in the Partners or Interests to reflect any Transfer permitted by this Article VII.

SECTION 7.02. *Permitted Transfers*. (a) *Limited Partnership Interests*. No Limited Partner (other than the Special Voting Limited Partner, which shall be governed by Section 7.02(b)) may Transfer or agree or otherwise commit to Transfer all or any portion of, or any right, title and interest in and to, its Limited Partnership Interest (other than the Special Voting Limited Partner, which shall be governed by Section 7.02(b)), except any such Transfer (i) pursuant to Section 4.02(a)(ii), 4.03(b)(i) in connection with the Contribution and the Separation or Section 7.02(b); (ii) if such Limited Partner shall be a member of the BGC Partners Group or the Holdings Group (the *Group Transferor*), to any member of the BGC Partners Group or the Holdings Group (the *Group Transferee*), including in connection with the exchange of Holdings Units for BGC Partners Common Stock pursuant to the Holdings Limited Partnership Agreement; or (iii) for which the General Partner and the Limited Partners (with such consent to require the affirmative vote of a Majority in Interest) shall have provided their respective prior written consent (which consent shall not be unreasonably withheld or delayed, *provided* that if

Table of Contents

such Transfer could reasonably be expected to result in the Partnership being classified or treated as a publicly traded partnership for U.S. federal income tax purposes, the withholding of consent to such Transfer shall not be deemed unreasonable) (including any Transfer to the Partnership).

(b) *Special Voting Limited Partnership Interest*. The Special Voting Limited Partner may not Transfer or agree or otherwise commit to Transfer all or any portion of, or any right, title and interest in and to, its Special Voting Limited Partnership Interest, except any such Transfer (i) to a wholly owned Subsidiary of Holdings; *provided* that, in the event that such other Person shall cease to be a wholly owned Subsidiary of Holdings, the Special Voting Limited Partnership Interest shall automatically be Transferred to Holdings, without the requirement of any further action on the part of the Partnership, Holdings or any other person; or (ii) pursuant to Section 4.03(b)(i) in connection with the Contribution and the Separation. Upon removal of any Special Voting Limited Partner, notwithstanding anything herein to the contrary, the Special Voting Limited Partnership Interest shall be transferred to the Person being admitted as the new Special Voting Limited Partner, simultaneously with admission and without the requirement of any action on the part of the Special Voting Limited Partner being removed or any other Person.

(c) *General Partnership Interest*. The General Partner may not Transfer or agree or otherwise commit to Transfer all or any portion of, or any right, title and interest in and to, its General Partnership Interest, unless (i) to a new General Partner in accordance with this Section, (ii) with the prior written consent (not to be unreasonably withheld or delayed) of the Special Voting Limited Partner or (iii) pursuant to Section 4.03(a)(i) in connection with the Contribution and the Separation. Any General Partner may be removed at any time, with or without cause, by the Special Voting Limited Partner in its sole and absolute discretion and the General Partner may resign from the Partnership for any reason; *provided*, *however*, that, as a condition to any such removal or resignation, (A) the Special Voting Limited Partner shall first appoint another Person as the new General Partner; (B) such Person shall be admitted to the Partnership as the new General Partner (upon the execution and delivery of an agreement to be bound by the terms of this Agreement and such other agreements, documents or instruments requested by the resigning General Partner); and (C) such resigning or removed General Partner shall Transfer its entire General Partnership Interest to the new General Partner. The admission of the new General Partner shall be deemed effective immediately prior to the effectiveness of the resignation of the resigning General Partner, and shall otherwise have the effects set forth in Section 4.03(a)(iii). Upon removal of any General Partner, notwithstanding anything herein to the contrary, the General Partnership Interest shall be transferred to the Person being admitted as the new General Partner, simultaneously with admission and without the requirement of any action on the part of the General Partner being removed or any other Person.

SECTION 7.03. *Admission as a Partner Upon Transfer*. Notwithstanding anything to the contrary set forth herein, a Transferee who has otherwise satisfied the requirements of Section 7.02 shall become a Partner, and shall be listed as a Limited Partner, Special Voting Limited Partner or General Partner as applicable, on *Schedule 4.01*, and shall be deemed to receive the Interest being Transferred, in each case only at such time as such Transferee executes and delivers to the Partnership an agreement in which the Transferee agrees to be admitted as a Partner and bound by this Agreement and any other agreements, documents or instruments specified by the General Partner and such agreements (when applicable) shall have been duly executed by the General Partner; *provided*, *however*, that if such Transferee is (a) at the time of such Transfer a Partner of the applicable class of Interests being Transferred or (b) has previously entered into an agreement pursuant to which the Transferee shall have agreed to become a Partner and be bound by this Agreement (which agreement is in effect at the time of such Transfer), such Transferee shall not be required to enter into any such agreements unless otherwise determined by the General Partner; *provided*, *further*, that the Transfers, admissions to and withdrawals from the Partnership as Partners, contemplated by Sections 4.03(a)(i) or 4.03(b)(i) shall not require the execution or delivery of any further agreements or other documentation hereunder.

SECTION 7.04. *Transfer of Units and Capital with the Transfer of an Interest*. Notwithstanding anything herein to the contrary, each Partner who Transfers an Interest shall be deemed to have Transferred the entire Interest, including the associated Units and Capital with respect to such Interest, or, if a portion of an Interest is

Table of Contents

being Transferred, each Partner who Transfers a portion of an Interest shall specify the number of Units being so Transferred and such Transfer shall include a proportionate amount of Capital with respect to such Interest, to the Transferee.

SECTION 7.05. *Encumbrances*. No Partner may charge or encumber its Interest or otherwise subject its Interest to a lien, pledge, security interest, right of first refusal, option or other similar limitation except in each case for those created by this Agreement.

SECTION 7.06. *Legend*. Each Partner agrees that any certificate issued to it to evidence its Interests shall have inscribed conspicuously on its front or back the following legend:

THE PARTNERSHIP INTEREST IN BGC PARTNERS, L.P. REPRESENTED BY THIS CERTIFICATE (INCLUDING ASSOCIATED UNITS AND CAPITAL) HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE *SECURITIES ACT*), OR REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE OR FOREIGN JURISDICTION, AND THIS PARTNERSHIP INTEREST MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED, ENCUMBERED OR OTHERWISE DISPOSED OF, IN WHOLE OR IN PART, EXCEPT (A) EITHER (1) WHILE A REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE REGISTRATIONS AND QUALIFICATIONS ARE IN EFFECT OR (2) PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (INCLUDING, IF APPLICABLE, REGULATION S THEREUNDER) AND SUCH OTHER APPLICABLE LAWS AND (B) IF PERMITTED BY THE LIMITED PARTNERSHIP AGREEMENT OF BGC PARTNERS, L.P., AS IT MAY BE AMENDED FROM TIME TO TIME, WHICH CONTAINS STRICT PROHIBITIONS ON TRANSFERS, SALES, ASSIGNMENTS, PLEDGES, HYPOTHECATIONS, ENCUMBRANCES OR OTHER DISPOSITIONS OF THIS PARTNERSHIP INTEREST OR ANY INTEREST THEREIN (INCLUDING ASSOCIATED UNITS AND CAPITAL).

SECTION 7.07. *Effect of Transfer Not in Compliance with this Article*. Any purported Transfer of all or any part of a Partner s Interest, or any interest therein, that is not in compliance with this Article VII shall, to the fullest extent permitted by law, be void *ab initio* and shall be of no effect.

ARTICLE VIII

DISSOLUTION

SECTION 8.01. *Dissolution*. The Partnership shall be dissolved and its affairs wound up upon the first to occur of the following:

(a) an election to dissolve the Partnership made by the General Partner; *provided* that such dissolution shall require the prior approval of (x) a majority vote of a quorum consisting of Disinterested Directors and (y) the Limited Partners (by affirmative vote of a Majority in Interest);

(b) at any time there are no limited partners of the Partnership, unless the business of the Partnership is continued in accordance with the Act;

(c) any event that results in the General Partner ceasing to be a general partner of the Partnership under the Act, provided that the Partnership shall not be dissolved and required to be wound up in connection with any such event if (A) at the time of the occurrence of such event there is at least one remaining general partner of the Partnership who is hereby authorized to and does carry on the business of the Partnership, or (B) within 90 days after the occurrence of such event, a majority of the Limited Partners agree in writing or vote to continue the business of the Partnership and to the appointment, effective as of the date of such event, if required, of one or more additional general partners of the Partnership; or

Table of Contents

(d) entry of a decree of judicial dissolution under Section 17-802 of the Act.

None of the Partners shall have any right to terminate, dissolve or have redeemed their class of Interests or, except for the General Partner and otherwise to the fullest extent permitted by law, to terminate, windup or dissolve the Partnership. Absent the approval of a majority vote of a quorum consisting of Disinterested Directors, each Partner shall use its reasonable best efforts to prevent the dissolution of the Partnership.

SECTION 8.02. *Liquidation*. Upon a dissolution pursuant to Section 8.01, the Partnership s business and assets shall be wound up promptly in an orderly manner. The General Partner shall be the liquidator to wind up the affairs of the Partnership. In performing its duties, the General Partner is authorized to sell, exchange or otherwise dispose of the Partnership s business and assets in accordance with the Act in any reasonable manner that the General Partner determines to be in the best interests of the Partners. Upon completion of the winding-up of the Partnership, the General Partner shall prepare and submit to each Limited Partner a final statement with respect thereto.

SECTION 8.03. *Distributions*. (a) In the event of a dissolution of the Partnership pursuant to Section 8.01, the Partnership shall apply and distribute the proceeds of the dissolution as provided below:

(i) *first*, to the creditors of the Partnership, including Partners that are creditors of the Partnership to the extent permitted by law, in satisfaction of the liabilities of the Partnership (by payment or by the making of reasonable provision for payment thereof, including the setting up of any reserves which the General Partner determines, in its sole and absolute discretion, are necessary therefor);

(ii) *second*, to the repayment of any loans or advances that may have been made by any of the Partners to the Partnership;

(iii) *third*, to the Partners in proportion to (and to the extent of) the positive balances in their respective Capital Accounts; and

(iv) *thereafter*, to the Partners in proportion to their respective Percentage Interests.

(b) *Cancellation of Certificate of Limited Partnership*. Upon completion of a liquidation and distribution pursuant to Section 8.03(a) following a dissolution of the Partnership pursuant to Section 8.01, the General Partner shall execute, acknowledge and cause to be filed a certificate of cancellation of the Certificate of Limited Partnership of the Partnership in the office of the Secretary of State of the State of Delaware.

SECTION 8.04. *Reconstitution*. Nothing contained in this Agreement shall impair, restrict or limit the rights and powers of the Partners under the laws of the State of Delaware and any other jurisdiction in which the Partnership is doing business to reform and reconstitute themselves as a limited partnership following dissolution of the Partnership either under provisions identical to those set forth herein or any others which they may deem appropriate.

SECTION 8.05. *Deficit Restoration*. Upon the termination of the Partnership, no Limited Partner shall be required to restore any negative balance in his, her or its Capital Account to the Partnership. The General Partner shall be required to contribute to the Partnership an amount equal to its respective deficit Capital Account balances within the period prescribed by Treasury Regulation section 1.704-1(b)(2)(ii)(c).

ARTICLE IX

INDEMNIFICATION AND EXCULPATION

SECTION 9.01. *Exculpation*. Neither a General Partner nor any Affiliate or director or officer of a General Partner or any such Affiliate shall be personally liable to the Partnership or the Limited Partners for a breach of

Table of Contents

fiduciary duty as a General Partner or as an Affiliate or director or officer of a General Partner or any such Affiliate, except to the extent such exemption from liability or limitation thereof is not permitted under the Act as the same exists or may hereafter be amended. Any repeal or modification of the immediately preceding sentence shall not adversely affect any right or protection of such Person existing hereunder with respect to any act or omission occurring prior to such repeal or modification. A General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisors selected by it and the opinion of any such Person as to matters which the General Partner reasonably believes to be within such Person s professional or expert competence shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by the General Partner in good faith and in accordance with such opinion. A General Partner may exercise any of the powers granted to it by this Agreement and perform any of the obligations imposed on it hereunder either directly or by or through one or more agents, and the General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by the General Partner with due care.

SECTION 9.02. *Indemnification*. (a) Each Person who was or is made a party or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative or investigative (hereinafter a *proceeding*), by reason of the fact that he or she, or a Person of whom he or she is the legal representative, is or was a or has agreed to become a General Partner, or any director or officer of the General Partner or of the Partnership, or is or was serving at the request of the Partnership as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while surviving as a director, officer, employee or agent, shall be indemnified and held harmless by the Partnership to the fullest extent authorized by the General Corporation Law of the State of Delaware (the *DGCL*) as the same exists or may hereafter be amended (but, in the case of any such amendment, to the fullest extent permitted by law, only to the extent that such amendment permits the Partnership to provide broader indemnification rights than said law permitted the Partnership to provide prior to such amendment), as if the Company were a corporation organized under the DGCL, against all expense, liability and loss (including attorneys fees, judgments, fines, amounts paid or to be paid in settlement, and excise taxes or penalties arising under the Employee Retirement Income Security Act of 1974) reasonably incurred or suffered by such Person in connection therewith and such indemnification shall continue as to a Person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; *provided*, *however*, that except as provided in Section 9.02(c), the Partnership shall indemnify any such Person seeking indemnification in connection with a proceeding (or part thereof) initiated by such Person only if such proceeding (or part thereof) was authorized by the General Partner. The right to indemnification conferred in this Section 9.02 shall be a contract right and shall include the right to be paid by the Partnership the expenses, including attorneys fees, incurred in defending any such proceeding in advance of its financial disposition; *provided*, *however*, that if applicable law requires that the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such Person while a director or officer, including, service to an employee benefit plan) in advance of the final disposition of a proceeding shall be made only upon delivery to the Partnership of an undertaking by or on behalf of such director for officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section 9.02 or otherwise. The Partnership may, by action of the General Partner, provide indemnification to employees and agents of the Partnership with the same scope and effect as the foregoing indemnification of directors and officers.

(b) To obtain indemnification under this Section 9.02, a claimant shall submit to the Partnership a written request, including therein or therewith such documentation and information as is reasonably available to the claimant and are reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Upon written request by a claimant for indemnification pursuant to the first sentence of this Section 9.02(b), a determination, if required by applicable law, with respect to the claimant s entitlement thereto shall be made as follows: (i) if requested by the claimant, by Independent

Table of Contents

Counsel (as hereinafter defined), or (ii) if no request is made by the claimant for a determination by Independent Counsel, (x) by the board of directors of BGC Partners by a majority vote of a quorum consisting of Disinterested Directors (as hereinafter defined), or (y) if a quorum of the board of directors of BGC Partners consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs, by Independent Counsel in a written opinion to the board of directors of BGC Partners, a copy of which shall be delivered to the claimant, or (z) if a quorum of Disinterested Directors so directs, by the affirmative vote of a Majority in Interest. In the event the determination of entitlement to indemnification is to be made by Independent Counsel at the request of the claimant, the Independent Counsel shall be selected by the board of directors of BGC Partners unless there shall have occurred within two years prior to the date of the commencement of the action, suit or proceeding for which indemnification is claimed a Change of Control as defined in the 1999 Long-Term Incentive Plan of eSpeed, as amended in 2003, in which case the Independent Counsel shall be selected by the claimant unless the claimant shall request that such selection be made by the board of directors of BGC Partners. If it is so determined that the claimant is entitled to indemnification, payment to the claimant shall be made within ten (10) days after such determination.

(c) If a claim under Section 9.02(a) is not paid in full by the Partnership within thirty (30) days after a written claim pursuant to Section 9.02(b) has been received by the Partnership, the claimant may at any time thereafter bring suit against the Partnership to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Partnership) that the claimant has not met the standards of conduct which make it permissible under the DGCL as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Partnership to provide broader indemnification rights than it permitted the Partnership to provide prior to such amendment) for the Partnership to indemnify the claimant for the amount claimed if the Partnership were a corporation organized under the DGCL, but the burden of proving such defense shall be on the Partnership. Neither the failure of the Partnership (including the board of directors of BGC Partners, independent legal counsel or its holders of Interests) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Partnership (including the board of directors of BGC Partners or independent legal counsel or its holders of Interests) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(d) If a determination shall have been made pursuant to Section 9.02(b) that the claimant is entitled to indemnification, the Partnership shall be bound by such determination in any judicial proceeding commenced pursuant to Section 9.02(c).

(e) The Partnership shall be precluded from asserting in any judicial proceeding commenced pursuant to Section 9.02(c) that the procedures and presumptions of this Section 9.02 are not valid, binding and enforceable and shall stipulate in such proceeding that the Partnership is bound by all the provisions of this Section 9.02.

(f) The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section 9.02 shall not be exclusive of any other right that any Person may have or hereafter acquire under any statute, provision of this Agreement, agreement, vote of the Limited Partners (by affirmative vote of a Majority in Interest) or Disinterested Directors or otherwise. No amendment or other modification of this Section 9.02 shall in any way diminish or adversely affect the rights of a General Partner, a Limited Partner or any directors, officers, employees or agents of the General Partner in respect of any occurrence or matter arising prior to any such repeal or modification.

(g) The Partnership may, to the extent authorized from time to time by the General Partner, grant rights to indemnification, and rights to be paid by the Partnership the expenses incurred in defending any

Table of Contents

proceeding in advance of its final disposition, to any employee or agent of the Partnership to the fullest extent of the provisions of this Section 9.02 with respect to the indemnification and advancement of expenses of a General Partner, a Limited Partner or any directors and officers of the General Partner.

(h) If any provision or provisions of this Section 9.02 shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Section 9.02 (including each portion of this Section 9.02 containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (ii) to the fullest extent possible, the provisions of this Section 9.02 (including each such portion of this Section 9.02 containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

(i) For purposes of this Article IX:

(i) *Disinterested Director* means a director of BGC Partners who is not and was not a party to the matter in respect of which indemnification is sought by the claimant.

(ii) *Independent Counsel* means a law firm, a member of a law firm, or an independent practitioner, that is experienced in matters of corporation law and shall include any Person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Partnership or the claimant in an action to determine the claimant s rights under this Section 9.02.

(j) Any notice, request or other communication required or permitted to be given to the Partnership under this Section 9.02 shall be in writing and either delivered in person or sent by telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the General Partner and shall be effective only upon receipt by the General Partner.

SECTION 9.03. *Insurance*. The Partnership may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Partnership or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Partnership would have the power to indemnify such Person against such expense, liability or loss under the Act if the Partnership were a corporation organized under the DGCL. To the extent that the Partnership maintains any policy or policies providing such insurance, each such director or officer, and each such agent or employee to which rights of indemnification have been granted as provided in Section 9.02 shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage thereunder for any such director, officer, employee or agent.

SECTION 9.04. *Subrogation*. In the event of payment of indemnification to a Person described in Section 9.02, the Partnership shall be subrogated to the extent of such payment to any right of recovery such person may have and such person, as a condition of receiving indemnification from the Partnership, shall execute all documents and do all things that the Partnership may deem necessary or desirable to perfect such right of recovery, including the execution of such documents necessary to enable the Partnership effectively to enforce any such recovery.

SECTION 9.05. *No Duplication of Payments*. The Partnership shall not be liable under this Article IX to make any payment in connection with any claim made against a person described in Section 9.02 to the extent such Person has otherwise received payment (under any insurance policy or otherwise) of the amounts otherwise payable as indemnity hereunder.

SECTION 9.06. *Survival*. This Article IX shall survive any termination of this Agreement.

Table of Contents

ARTICLE X

MISCELLANEOUS

SECTION 10.01. *Amendments*. (a) Except as provided in Section 1.03 with respect to this Agreement or Section 2.01 with respect to the Certificate of Limited Partnership, the Certificate of Limited Partnership and this Agreement may not be amended except with (and any such amendment shall be authorized upon obtaining) the approval of each of the General Partner and the Limited Partners (by the affirmative vote of a Majority in Interest); *provided* that this Agreement shall not be amended to (i) amend any provisions which require the consent of a specified percentage in interest of the Limited Partners without the consent of that specified percentage in interest of the Limited Partners; (ii) alter the interest of any Partner in the amount or timing of distributions or the allocation of profits, losses or credits (other than any such alteration caused by the acquisition of additional Units by any Partner or the issuance of additional Units to any Person pursuant to this Agreement or as otherwise expressly provided herein), if such alteration would either (A) materially adversely affect the economic interest of a Partner in the Partnership or (B) materially adversely affect the value of Interests, without the consent of (x) the Partners holding at least two-thirds of all Units in the case of an amendment applying in a substantially similar manner to all classes of Interests or (y) two-thirds in interest of the affected class or classes of the Partners in the case of any other amendment; or (iii) amend this Agreement to alter the Special Voting Limited Partner s ability to remove a General Partner; *provided*, *however*, that the General Partner may authorize, without further approval of any other Person or group, (1) any amendment to this Agreement to correct any technicality, incorrect statement or error apparent on the face hereof in order to further the intent of the parties hereto or (2) correction of any formality or error apparent on the face hereof or incorrect statement or defect in the execution hereof. Any merger or consolidation of the Partnership with any third party that shall amend or otherwise modify the terms of this Agreement shall require the approval of the Persons referred to above to the extent the approval of such Persons would have been required had such amendment or modification been effected by an amendment to this Agreement.

SECTION 10.02. *Benefits of Agreement*. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Partnership or by any creditor of any of the Partners. Except as provided in Article IX with respect to Persons entitled to indemnification pursuant to such Article, nothing in this Agreement shall be deemed to create any right in any Person not a party hereto, and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of any third person.

SECTION 10.03. *Waiver of Notice*. Whenever any notice is required to be given to any Partner or other Person under the provisions of the Act or this Agreement, a waiver thereof in writing, signed by the Person or Persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any meeting of the Partners (if any shall be called) or the General Partner need be specified in any waiver of notice of such meeting.

SECTION 10.04. *Jurisdiction and Forum; Waiver of Jury Trial*. (a) Each of the Partners agrees, to the fullest extent permitted by law, that all Actions arising out of or in connection with this Agreement, the Partnership s affairs, the rights or interests of the Partners or the estate of any deceased Partner (to the extent that they are related to any of the foregoing), or for recognition and enforcement of any judgment arising out of or in connection with this Agreement or any breach or termination or alleged breach or termination of this Agreement, shall be tried and determined exclusively in the state or federal courts in the State of Delaware, and each of the Partners hereby irrevocably submits with regard to any such Action for itself and in respect to its property, generally and unconditionally, to the exclusive jurisdiction of the aforesaid courts. Each of the Partners hereby expressly waives, to the fullest extent permitted by law, any right it may have to assert, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any such Action: (i) any claim that it is not subject to personal jurisdiction in the aforesaid courts for any reason; (ii) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts; (iii) that (A) any of the aforesaid courts is an inconvenient or inappropriate forum for such Action, (B) venue is not proper in any of the

aforesaid courts; and (iv) this Agreement, or the subject matter hereof or thereof, may not be enforced in or by any of the aforesaid courts. With respect to any action arising out of or relating to this agreement or any obligation hereunder, each Partner irrevocably and unconditionally, to the fullest extent permitted by law, (x) agrees to appoint promptly upon request from the Partnership authorized agents for the purpose of receiving service of process in any suit, action or proceeding in Wilmington, Delaware; (y) consents to service of process in any suit, action or proceeding in such jurisdictions; and (z) consents to service of process by mailing a copy thereof to the address of the Partner determined under Section 10.07 by U.S. registered or certified mail, by the closest foreign equivalent of registered or certified mail, by a recognized overnight delivery service, by service upon any agent specified pursuant to clause (x) above, or by any other manner permitted by applicable law,

(b) EACH PARTNER WAIVES ANY RIGHT TO REQUEST OR OBTAIN A TRIAL BY JURY IN ANY JUDICIAL PROCEEDING GOVERNED BY THE TERMS OF THIS AGREEMENT OR PERTAINING TO THE MATTERS GOVERNED BY THIS AGREEMENT. MATTERS GOVERNED BY THIS AGREEMENT SHALL INCLUDE, BUT ARE NOT LIMITED TO, ANY AND ALL MATTERS AND AGREEMENTS REFERRED TO IN THIS AGREEMENT AND ANY DISPUTES ARISING WITH RESPECT TO ANY SUCH MATTERS AND AGREEMENTS.

(c) The Partners acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise breached. It is accordingly agreed that the Partners shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof and thereof, this being in addition to any other remedy to which they may be entitled by law or equity.

SECTION 10.05. *Successors and Assigns*. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective estates, heirs, legal representatives, successors and permitted assigns, any additional Partner admitted in accordance with the provisions hereof and any successor to a trustee of a trust that is or becomes a party hereto.

SECTION 10.06. *Confidentiality*. Each Partner recognizes that confidential information has been and will be disclosed to such Partner by the Partnership and its Subsidiaries. Each Partner expressly agrees, whether or not at the time a Partner of the Partnership or providing services to the Partnership and/or any of its Subsidiaries, to (i) maintain the confidentiality of, and not disclose to any Person without the prior written consent of the Partnership, any financial, legal or other advisor to the Partnership, any information relating to the business, clients, affairs or financial structure, position or results of the Partnership or its affiliates (including any Affiliate) or any dispute that shall not be generally known to the public or the securities industry and (ii) not to use such confidential information other than for the purpose of evaluating such Partner s investment in the Partnership or in connection with the discharge of any duties to the Partnership or its affiliates such Partner may have in such Partner s capacity as an officer, director, employee or agent of the Partnership or its affiliates. Notwithstanding Section 10.04 or any other provision herein to the contrary, each Partner agrees that money damages would not be a sufficient remedy for any breach of this Section 10.06 by such Partner, and that in addition to all other remedies, the Partnership shall be entitled to injunctive or other equitable relief as a remedy for any such breach. Each Partner agrees not to oppose the granting of such relief and agrees to waive any requirement for the securing or posting of any bond in connection with such remedy.

SECTION 10.07. *Notices*. All notices and other communications required or permitted by this Agreement shall be made in writing and any such notice or communication shall be deemed delivered when delivered in Person, properly transmitted by telecopier or one (1) Business Day after it has been sent by an internationally recognized overnight courier to the address for notices shown in the Partnership s records (or any other address provided to the Partnership in writing for this purpose) or, if given to the Partnership, to the principal place of business of the Partnership in New York, New York. Communications by telecopier also shall be sent concurrently by overnight courier, but shall in any event be effective as stated above. Each Partner may from

time to time change its address for notices under this Section 10.07 by giving at least five (5) days prior written notice of such changed address to the Partnership.

SECTION 10.08. *No Waiver of Rights*. No failure or delay on the part of any Partner in the exercise of any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or of any other right or power. The waiver by any Partner of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach hereunder. All rights and remedies existing under this Agreement are cumulative and are not exclusive of any rights or remedies otherwise available.

SECTION 10.09. *Power of Attorney*. Each Partner agrees that, by its execution of this Agreement, such Partner irrevocably constitutes and appoints the General Partner as its true and lawful attorney-in-fact coupled with an interest, with full power and authority, in its name, place and stead to make, execute, acknowledge and record (a) all certificates, instruments or documents, including fictitious name or assumed name certificates, as may be required by, or may be appropriate under, the laws of any state or jurisdiction in which the Partnership is doing or intends to do business and (b) all agreements, documents, certificates or other instruments amending this Agreement or the Certificate of Limited Partnership that may be necessary or appropriate to reflect or accomplish (i) a change in the name or location of the principal place of business of the Partnership or a change of name or address of a Partner, (ii) the disposal or increase by a Partner of his Interest in the Partnership or any part thereof, (iii) a distribution and reduction of the capital contribution of a Partner or any other changes in the capital of the Partnership, (iv) the dissolution or termination of the Partnership, (v) the addition or substitution of a Person becoming a Partner of the Partnership and (vi) any amendment to this Agreement, in each case only to the extent expressly authorized and conducted in accordance with the preceding sections of this Agreement. The power granted hereby is coupled with an interest and shall survive the subsequent disability or incapacity of the principal.

SECTION 10.10. *Severability*. If any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired.

SECTION 10.11. *Headings*. The section and article headings contained in this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement. All references to Sections or Articles contained herein mean Sections or Articles of this Agreement unless otherwise stated.

SECTION 10.12. *Entire Agreement*. This Agreement amends and restates in its entirety the Original Limited Partnership Agreement. This Agreement, including the exhibits, annexes and schedules hereto and the Ancillary Agreements, constitute the entire agreement among the parties hereto and supersede all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof and thereof.

SECTION 10.13. *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to its conflicts of law principles.

SECTION 10.14. *Counterparts*. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

SECTION 10.15. *Opportunity; Fiduciary Duty*. To the greatest extent permitted by law and except as otherwise set forth in this Agreement:

(a) None of any Holdings Company or BGC Partners Company or any of their respective Representatives shall owe any fiduciary duty to, nor shall any Holdings Company or BGC Partners Company or any of their respective Representatives be liable for breach of fiduciary duty to, the Partnership

Table of Contents

or the holders of Interests. In taking any action, making any decision or exercising any discretion with respect to the Partnership, each Holdings Company and BGC Partners Company and their respective Representatives shall be entitled to consider such interests and factors as it desires, including its own interests and those of its Representatives, and shall have no duty or obligation (i) to give any consideration to the interests of or factors affecting the Partnership, the holders of Interests or any other Person, or (ii) to abstain from participating in any vote or other action of the Partnership or any Affiliate thereof, or any board, committee or similar body of any of the foregoing. None of any BGC Partners Company, Holdings Company or any of their respective Representatives shall violate a duty or obligation to the Partnership merely because such Person s conduct furthers such Person s own interest, except as specifically set forth in Section 10.15(c). Any BGC Partners Company, Holdings Company or any of their respective Representatives may lend money to, and transact other business with, the Partnership and its Representatives. The rights and obligations of any such Person who lends money to, contracts with, borrows from or transacts business with the Partnership or any of its Representatives are the same as those of a Person who is not involved with the Partnership or any of its Representatives, subject to other applicable law. No transaction between any BGC Partners Company, Holdings Company or any of their respective Representatives, on the one hand, with the Partnership or any of its Representatives, on the other hand, shall be voidable solely because any BGC Partners Company, Holdings Company or any of their respective Representatives has a direct or indirect interest in the transaction. Nothing herein contained shall prevent any BGC Partners Company, Holdings Company or any of their respective Representatives from conducting any other business, including serving as an officer, director, employee, or stockholder of any corporation, partnership or limited liability company, a trustee of any trust, an executor or administrator of any estate, or an administrative official of any other business or not-for-profit entity, or from receiving any compensation in connection therewith.

(b) None of any BGC Partners Company, Holdings Company or any of their respective Representatives shall owe any duty to refrain from (i) engaging in the same or similar activities or lines of business as the Partnership and its Representatives, or (ii) doing business with any of the Partnership s or its Representatives clients or customers. In the event that any BGC Partners Company, Holdings Company or any of their respective Representatives acquires knowledge of a potential transaction or matter that may be a Corporate Opportunity for any BGC Partners Company, Holdings Company or any of their respective Representatives, on the one hand, and the Partnership or its Subsidiaries, on the other hand, such BGC Partners Company, Holdings Company or any of its Subsidiaries, as the case may be, shall have no duty to communicate or offer such Corporate Opportunity to the Partnership or its Representatives. None of any BGC Partners Company, Holdings Company or any of their respective Representatives shall be liable to the Partnership, the holders of Interests or its Representatives for breach of any fiduciary duty by reason of the fact that any BGC Partners Company, Holdings Company or any of their respective Representatives pursues or acquires such Corporate Opportunity for itself, directs such Corporate Opportunity to another Person or does not present such Corporate Opportunity to the Partnership or any of its Representatives.

(c) If a third party presents a Corporate Opportunity to a person who is both a Representative of a BGC Partners Company and/or a Holdings Company, expressly and solely in such Person s capacity as a Representative of the Partnership, and such Person acts in good faith in a manner consistent with the policy that such Corporate Opportunity belongs to the Partnership, then such Person shall (i) be deemed to have fully satisfied and fulfilled any fiduciary duty that such Person has to the Partnership as a Representative of the Partnership with respect to such Corporate Opportunity, (ii) shall not be liable to the Partnership, the holders of Interests or any of its Representatives for breach of fiduciary duty by reason of such Person s action or inaction with respect to such Corporate Opportunity, (iii) shall be deemed to have acted in good faith and in a manner that such Person reasonably believed to be in, and not opposed to, the Partnership s best interests, and (iv) shall be deemed not to have breached such Person s duty of loyalty to the Partnership and the holders of Interests and not have derived an improper personal benefit therefrom; *provided* that a BGC Partners Company and/or Holdings Company may pursue such Corporate Opportunity if the Partnership shall decide not to pursue such Corporate Opportunity. If a Corporate Opportunity is not presented to a Person who is both a Representative of the Partnership and a Representative of a BGC

Table of Contents

Partners Company and/or a Holdings Company, expressly and solely in such Person s capacity as a Representative of the Partnership, such Person shall not be obligated to present such Corporate Opportunity to the Partnership or to act as if such Corporate Opportunity belongs to the Partnership, and such Person shall (A) be deemed to have fully satisfied and fulfilled any fiduciary duty that such Person has to the Partnership as a Representative of the Partnership with respect to such Corporate Opportunity, (B) shall not be liable to the Partnership, any of the holders of Interests or any of its Representatives for breach of fiduciary duty by reason of such Person s action or inaction with respect to such Corporate Opportunity, (C) shall be deemed to have acted in good faith and in a manner that such person reasonably believed to be in, and not opposed to, the Partnership s best interests, and (iv) shall be deemed not to have breached such Person s duty of loyalty to the Partnership and the holders of Interests and not have derived an improper personal benefit therefrom.

(d) Any Person purchasing or otherwise acquiring any Interest shall be deemed to have notice of and to have consented to the provisions of this Section 10.15.

(e) Except to the extent otherwise modified herein, each officer of the Partnership shall have fiduciary duties identical to those of officers of business corporations organized under the DGCL. The provisions of this Agreement, to the extent that they restrict or eliminate the duties (including fiduciary duties) of a director, officer or other Person otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties of such Person.

(f) Neither the alteration, amendment, termination, expiration or repeal of this Section 10.15 nor the adoption of any provision of this Agreement inconsistent with this Section 10.15 shall eliminate or reduce the effect of this Section 10.15 in respect of any matter occurring, or any cause of Action that, but for this Section 10.15, would accrue or arise, prior to such alteration, amendment, termination, expiration, repeal or adoption.

SECTION 10.16. *Reimbursement of Expenses*. All costs and expenses incurred in connection with the ongoing operation or management of the business of the Partnership or its Subsidiaries shall be borne by the Partnership or its Subsidiaries, as the case may be.

SECTION 10.17. *Effectiveness*. The Original Limited Partnership Agreement was effective for all financial and accounting purposes as of July 22, 2004. This Agreement shall be effective immediately prior to the Closing (as defined in the Separation Agreement).

SECTION 10.18. *Parity of Units*. It is the non-binding intention of each of the Partners, Global Opco and the Partnership that the number of outstanding Units shall at all times equal the number of outstanding Global Opco Units. Accordingly, in the event of any issuance or repurchase by Global Opco of Global Opco Units, it is the non-binding intention of each of the Partners, Global Opco and the Partnership that there be a parallel issuance or repurchase transaction by the Partnership so that the number of outstanding Units shall at all times equal the number of outstanding Global Opco Units, and the parties to this Agreement agree to cooperate to effect the intent of this Section 10.18.

Table of Contents

IN WITNESS WHEREOF, this Agreement has been duly executed by the general partner and the limited partners as of the day and year first written above.

BGC HOLDINGS, LLC, as general partner

By:
Name:
Title:

BGC HOLDINGS, L.P., as a limited partner

By:
Name:
Title:

BGC HOLDINGS US, INC., as a limited partner

By:
Name:
Title:

[Signature Page to the Agreement of Limited Partnership of BGC Partners, L.P.,

dated as of [•], 2008, by and among BGC Holdings, LLC, Holdings and BGC Holdings US, and

the Persons to be admitted as Partners or otherwise parties hereto].

Table of Contents

Annex E

FORM OF

AGREEMENT OF LIMITED PARTNERSHIP

OF

BGC GLOBAL HOLDINGS, L.P.

Amended and Restated [•], 2008

Table of Contents

TABLE OF CONTENTS

E-i

Table of Contents

Table of Contents

This AGREEMENT OF LIMITED PARTNERSHIP (together with all exhibits, annexes and schedules hereto, this *Agreement*) of BGC Partners Global Holdings, L.P., a Cayman Islands exempted limited partnership (the *Partnership*), dated [•], 2008, is by and among BGC Global Holdings, GP Limited, a Cayman Islands exempted limited company (*BGC Global Holdings GP Ltd*), as general partner; BGC Holdings, L.P., a Delaware limited partnership (*Holdings*), as a limited partner, and BGC Holdings Global Limited, a Delaware corporation (*BGC Holdings Global*), as a limited partner, and the Persons to be admitted as Partners (as defined below) or otherwise parties hereto as set forth herein.

RECITALS

WHEREAS, the Partnership was formed as a limited partnership under the Cayman Islands Exempted Limited Partnership Law, as amended from time to time (the *Act*) pursuant to an Agreement of Limited Partnership, dated December 7, 2006, by and among BGC Holdings GP Ltd, as the general partner, and Holdings and BGC Holdings Global the *Original Partnership Agreement*);

WHEREAS, Cantor, BGC Partners, Inc., a Delaware corporation (*BGC Partners*), BGC Partners, L.P., a Delaware limited partnership (*U.S. Opco*), the Partnership, and Holdings have entered into that certain Separation Agreement, dated [•], 2008 (the *Separation Agreement*), pursuant to which, among other things, Cantor has agreed to separate the Inter-Dealer Brokerage Business, the Market Data Business and the Fulfillment Business (each as defined in the Separation Agreement and together, the *BGC Businesses*) from the remainder of the businesses of Cantor by contributing the BGC Businesses to BGC Partners and its applicable Subsidiaries, including the Partnership and Global Opco, in the manner and on the terms and conditions set forth in the Separation Agreement (the *Separation*);

WHEREAS, as part of the Separation, (a) BGC Global Holdings, GP Limited will continue as the general partner of the Partnership, but will be indirectly controlled by BGC Partners; (b) BGC Holdings Global will become a limited partner of the Partnership; and (c) Holdings will continue as a limited partner of the Partnership; and

WHEREAS, the Partners are amending and restating the Original Partnership Agreement in order to, among other things, provide for or attest to the foregoing transactions contemplated by the Separation Agreement, effective immediately.

NOW, THEREFORE, the parties hereto hereby adopt the following as the amended and restated partnership agreement of the Partnership within the meaning of the Act:

ARTICLE I

DEFINITIONS

SECTION 1.01. *Definitions.* As used in this Agreement, the following terms have the meanings set forth below:

Accounting Period means (a) in the case of the first Accounting Period, the period commencing on the date of this Agreement and ending at the next Closing of the Books Event, and (b) in the case of each subsequent Accounting Period, the period commencing immediately after a Closing of the Books Event and ending at the next Closing of the Books Event.

Act has the meaning set forth in the recitals to this Agreement.

Action means any action, claim, suit, litigation, proceeding (including arbitral) or investigation.

Table of Contents

Affiliate means, with respect to any Person, any other Person that directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person.

Agreement has the meaning set forth in the preamble to this Agreement.

Ancillary Agreements means Ancillary Agreements as defined in the Separation Agreement.

Applicable Tax Rate means the estimated highest aggregate marginal statutory U.S. federal, state and local income, franchise and branch profits tax rates (determined taking into account the deductibility of state and local income taxes for U.S. federal income tax purposes and the creditability or deductibility of foreign income taxes for U.S. federal income tax purposes) (*Tax Rate*) applicable to any Partner on income of the same character and source as the income allocated to such Partner pursuant to Sections 5.04(a) and (b) for such fiscal year, fiscal quarter or other period, as determined by the tax matters partner in its discretion; *provided* that, in the case of a Partner that is a partnership, grantor trust or other pass-through entity under U.S. federal income tax law, the Tax Rate applicable to such Partner for purposes of determining the Applicable Tax Rate shall be the weighted average of the Tax Rates of such Partner s members, grantor-owners or other beneficial owners (weighted in proportion to their relative economic interests in such Partner), as determined by the tax matters partner in its discretion; *provided*, *further*, that if any such member, grantor-owner or other beneficial owner of such Partner is itself a partnership, grantor trust or other-pass through entity, similar principles shall be applied by the tax matters partner in its discretion to determine the Tax Rate of such member, grantor-owner or other beneficial owner.

BGC Business has the meaning set forth in the recitals to this Agreement.

BGC Global Holdings, GP Limited has the meaning set forth in the preamble to this Agreement.

BGC Holdings Global has the meaning set forth in the preamble to this Agreement.

BGC Partners has the meaning set forth in the recitals to this Agreement.

BGC Partners Common Stock means (1) prior to the Merger, the common units of BGC Partners (regardless of the class of such common units); and (2) after the Merger, the common stock, par value $0.01 per share, of BGC Partners.

BGC Partners Company means any member of the BGC Partners Group.

BGC Partners Group means BGC Partners and its Subsidiaries (other than Holdings and its Subsidiaries, the Partnership and its Subsidiaries and Global Opco and its Subsidiaries).

Business Day shall mean any day excluding Saturday, Sunday and any day on which banking institutions located in New York, New York are authorized or required by applicable Law or other governmental action to be closed.

Cantor has the meaning set forth in the recitals to this Agreement.

Cantor Group means Cantor and its Subsidiaries (other than any member of the Holdings Group or the BGC Partners Group).

Capital means, with respect to any Partner, such Partner s capital in the Partnership as reflected in such Partner s Capital Account.

Capital Account means, with respect to any Partner, such Partner s capital account established on the books and records of the Partnership.

Table of Contents

Certificate of Limited Partnership means the certificate of limited partnership of the Partnership filed with the office of the Secretary of State of the State of Delaware on April 22, 2004.

Closing of the Books Event means any of (a) the close of the last day of each calendar year and each calendar quarter, (b) the dissolution of the Partnership, (c) the acquisition of an additional interest in the Partnership by any new or existing Partner in exchange for more than a de minimis amount of property, (d) the distribution by the Partnership to a Partner of more than a de minimis amount of Partnership property as consideration for an interest in the Partnership, or (e) any other time that the General Partner determines to be appropriate for an interim closing of the Partnership s books.

Code means the U.S. Internal Revenue Code of 1986, as amended, or any successor statute thereto.

Contribution means Contribution as defined in the Separation Agreement.

Corporate Opportunity means any business opportunity that the Partnership is financially able to undertake, that is, from its nature, in any of the Partnership s lines of business, is of practical advantage to the Partnership and is one in which the Partnership has an interest or a reasonable expectancy, and in which, by embracing the opportunities, the self-interest of BGC Partners, Holdings or their respective Representatives will be brought into conflict with the Partnership s self-interest.

DGCL has the meaning set forth in Section 9.02(a).

Disinterested Director has the meaning set forth in Section 9.02(i)(i).

Estimated Proportionate Quarterly Tax Distribution means the Proportionate Quarterly Tax Distribution calculated using the Tax Matters Partner s estimate of the aggregate amount of taxable income or gain to be allocated to the Partners pursuant to Section 5.04(a) for the applicable period (excluding any items of income, gain, loss or deduction allocated in respect of any Special Item).

Estimated Tax Due Date means (a) in the case of a Partner that is not an individual, the 15th day of each April, June, September and December or (b) in the case of a Partner that is an individual, the 15th day of each April, June, September and January or, in each of cases (a) and (b), if earlier with respect to any quarter, the date on which BGC Partners is required to make an estimated tax payment.

General Partner means BGC Global Holdings, GP Limited or any Person who has been admitted, as herein provided, as an additional or substitute general partner, and who has not ceased to be a general partner, each in its capacity as a general partner of the Partnership.

General Partnership Interest means, with respect to the General Partner, such Partner s Units and Capital designated as the General Partner Interest on *Schedule 4.02* and *Schedule 5.01* in accordance with this Agreement and rights and obligations with respect to the Partnership pursuant to this Agreement and applicable law by virtue of such Partner being a General Partner and having such Units and Capital.

Global Opco has the meaning set forth in the recitals to this Agreement.

Global Opco Units means Units as defined in the Global Opco Limited Partnership Agreement.

Group means the Holdings Group or the BGC Partners Group, as applicable.

Group Transferee has the meaning set forth in Section 7.02(a)(ii).

Group Transferor has the meaning set forth in Section 7.02(a)(ii).

Table of Contents

Holdings has the meaning set forth in the preamble to this Agreement.

Holdings Company means any member of the Holdings Group.

Holdings Group means Holdings and its Subsidiaries (other than the Partnership and its Subsidiaries and Global Opco and its Subsidiaries).

Holdings Limited Partnership Agreement means the Amended and Restated Limited Partnership Agreement of BGC Holdings, L.P., as amended from time to time.

Holdings Units means Units as defined in the Holdings Limited Partnership Agreement.

Independent Counsel has the meaning set forth in Section 9.02(i)(ii).

Interest means the General Partnership Interest and any Limited Partnership Interest (including, for the avoidance of doubt, the Special Voting Limited Partnership Interest).

Limited Partner means any Person who has acquired a Limited Partnership Interest pursuant to and in compliance with this Agreement and who shall have been admitted to the Partnership as a Limited Partner in accordance with this Agreement and shall not have ceased to be a Limited Partner under the terms of this Agreement, each in its capacity as a limited partner of the Partnership.

Limited Partnership Interest means, with respect to any Limited Partner, such Partner s Units and Capital designated as a Limited Partnership Interest (including, for the avoidance of doubt, designation as a Special Voting Limited Partnership Interest) on *Schedule 4.02* and *Schedule 5.01* in accordance with this Agreement and rights and obligations with respect to the Partnership pursuant to this Agreement and applicable law by virtue of such Partner holding such Units and having such Capital.

Majority in Interest means Limited Partner(s) holding a majority of the Units underlying the Limited Partnership Interests outstanding as of the applicable record date; *provided*, *however*, that if the Holdings Group shall hold a Majority in Interest and the Cantor Group shall hold a majority of the Units underlying the Exchangeable Limited Partnership Interests of Holdings, then Majority in Interest for purposes of this Agreement shall mean Cantor.

Original Limited Partnership Agreement has the meaning set forth in the recitals to this Agreement.

Partners means the Limited Partners (including, for the avoidance of doubt, the Special Voting Limited Partner) and the General Partner, and *Partner* means any of the foregoing.

Partnership has the meaning set forth in the preamble to this Agreement.

Percentage Interest means, as of the applicable calculation time, with respect to a Partner, the ratio, expressed as a percentage, of the number of Units held by such Partner over the number of Units held by all Partners.

Person means any individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, governmental entity or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

proceeding has the meaning set forth in Section 9.02(a).

Proportionate Quarterly Tax Distribution means, for each Partner for each fiscal quarter or other applicable period, such Partner s Proportionate Tax Share for such fiscal quarter or other applicable period.

Table of Contents

Proportionate Tax Share means, with respect to a Partner, the product of (a) the Tax Distribution for the fiscal year, fiscal quarter or other period, as applicable, and (b) the Percentage Interest of such Partner for such fiscal year, fiscal quarter or other period. In the event that the Percentage Interest of a Partner changes during any fiscal year, fiscal quarter or other period, the Proportionate Tax Share of such Partner and the other Partners, as the case may be, for such fiscal year, fiscal quarter or other period shall be appropriately adjusted to take into account the Partners varying interests.

Representatives means, with respect to any Person, the Affiliates, directors, officers, employees, general partners, agents, accountants, managing member, employees, counsel and other advisors and representatives of such Person.

Separation has the meaning set forth in the recitals to this Agreement.

Separation Agreement has the meaning set forth in the recitals to this Agreement.

Special Item means the matters set forth on *Schedule A*.

Special Voting Limited Partner means the Limited Partner holding the Special Voting Limited Partnership Interest pursuant to and in compliance with this Agreement and who shall have been admitted to the Partnership as a Limited Partner designated as the Special Voting Limited Partner in accordance with this Agreement and shall not have ceased to be a Limited Partner designated as the Special Voting Limited Partner under the terms of this Agreement.

Special Voting Limited Partnership Interest means, with respect to the Special Voting Limited Partner, such Partner s Unit and Capital designated as the Special Voting Limited Partnership Interest on *Schedule 4.02* and *Schedule 5.01* in accordance with this Agreement and rights and obligations with respect to the Partnership pursuant to this Agreement and applicable law by virtue of such Partner holding such Units and having such Capital.

Subsidiary means, as of the relevant date of determination, with respect to any Person, any corporation or other Person of which 50% or more of the voting power of the outstanding voting equity securities or 50% or more of the outstanding economic equity interest is held, directly or indirectly, by such Person.

Tax Distribution means, for any fiscal quarter or fiscal year or other period of the Partnership during the term of the Partnership, the product of (a) the aggregate amount of taxable income or gain allocated to the Partners pursuant to Section 5.04(a) for such period (excluding any item of income, gain, loss or deduction allocated in respect of any Special Item) and (b) the Applicable Tax Rate for such period.

Transfer means any transfer, sale, conveyance, assignment, gift, hypothecation, pledge or other disposition, whether voluntary or by operation of law, of all or any part of an Interest or any right, title or interest therein.

Transferee means the transferee in a Transfer or proposed Transfer.

Transferor means the transferor in a Transfer or proposed Transfer.

Unit means, with respect to any Partner, such Partner s partnership interest in the Partnership entitling the holder to a share in the Partnership s profits, losses and operating distributions as provided in this Agreement.

SECTION 1.02. *Other Definitional Provisions.* Wherever required by the context of this Agreement, the singular shall include the plural and vice versa, and the masculine gender shall include the feminine and neuter

Table of Contents

genders and vice versa, and references to any agreement, document or instrument shall be deemed to refer to such agreement, document or instrument as amended, supplemented or modified from time to time. When used herein:

(a) the word *or* is not exclusive unless the context clearly requires otherwise;

(b) the word *control* (including, with correlative meanings, the terms *controlled by* and *under common control with*), as used with respect to any Person, means the direct or indirect possession of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise;

(c) the words *including*, *includes*, *included* and *include* are deemed to be followed by the words *without limitation* ;

(d) the terms *herein*, *hereof* and *hereunder* and other words of similar import refer to this Agreement as a whole and not to any particular section, paragraph or subdivision; and

(e) all section, paragraph or clause references not attributed to a particular document shall be references to such parts of this Agreement, and all exhibit, appendix, annex and schedule references not attributed to a particular document shall be references to such exhibits, appendixes, annexes and schedules to this Agreement.

SECTION 1.03. *References to Schedules*. The General Partner shall maintain and revise from time to time all schedules referred to in this Agreement in accordance with this Agreement. Notwithstanding anything in Section 10.02 to the contrary, any such revision shall not be deemed an amendment to this Agreement, and shall not require any further act, vote or approval of any Person.

ARTICLE II

FORMATION, CONTINUATION AND POWERS

SECTION 2.01. *Formation*. On December 7, 2006, the Partnership was formed pursuant to the laws of the Cayman Islands pursuant to the original Limited Partnership Agreement and constitutes the partnership agreement (as defined in the Act) of the parties thereto. The Original Limited Partnership Agreement shall be amended and restated in its entirety to be this Agreement effective immediately prior to the closing of the Contribution pursuant to the Separation Agreement, and this Agreement shall thereafter constitute the partnership agreement (as defined in the Act) of the parties hereto.

SECTION 2.02. *Name*. The name of the Partnership is BGC Partners Global Holdings, L.P.

SECTION 2.03. *Purpose and Scope of Activity*. The purpose of the Partnership shall be to conduct any and all activities permitted under the Act. The Partnership shall possess and may exercise all the powers and privileges granted by the Act or by any other law or by this Agreement, together with any powers incidental thereto, that are necessary or convenient to the conduct, promotion or attainment of the business, purposes or activities of the Partnership.

SECTION 2.04. *Principal Place of Business*. For purposes of the Act, the principal place of business of the Partnership shall be located in the Cayman Islands or at such other place as may hereafter be designated from time to time by the General Partner. The Partnership, committee and officer meetings shall take place at the Partnership s principal place of business unless decided otherwise for any particular meeting.

The Partnership may qualify to transact business in such other states and under such assumed business names (for which all applicable assumed business name certificates or filings shall be made) as the General

Table of Contents

Partner shall determine. Each Partner shall execute, acknowledge, swear to and deliver all certificates or other documents necessary or appropriate to qualify, continue and terminate the Partnership as a foreign limited partnership in such jurisdictions in which the Partnership may conduct or cease to conduct business, as applicable.

SECTION 2.05. *Registered Agent and Office*. The registered agent for service of process is, and the mailing address of the registered office of the Partnership in the Cayman Islands is in care of, Stuarts Corporate Services Ltd PO Box 2510 Grand Cayman KY1-1104 Cayman Islands. At any time, the Partnership may designate another registered agent and/or registered office.

SECTION 2.06. *Authorized Persons*. The execution and causing to be filed of the Section 9 Statement by the applicable authorized Persons are hereby specifically ratified, adopted and confirmed. The directors of the General Partner are hereby designated as authorized Persons, within the meaning of the Act, to act in connection with executing and causing to be filed, when approved by the appropriate governing body or bodies hereunder, any certificates required or permitted to be filed with the Registrar of Exempted Limited Partnerships of the Cayman Islands and any certificates (and any amendments and/or restatements thereof) necessary for the Partnership to file in any jurisdiction in which the Partnership is required to make a filing.

SECTION 2.07. *Term*. The term of the Partnership began on the date the Section 9 Statement of the Partnership was filed, and the Partnership shall have perpetual existence unless sooner dissolved as provided in Article VIII.

SECTION 2.08. *Treatment as Partnership*. Except as otherwise required pursuant to a determination within the meaning of Section 1313(a)(1) of the Code, the parties shall treat the Partnership as a partnership for United States federal income tax purposes and agree not to take any action or fail to take any action which action or inaction would be inconsistent with such treatment.

SECTION 2.09. *Compliance with Law*. The Partnership shall use its best efforts to comply with any and all governmental requirements applicable to it, including the making of any and all necessary or advisable governmental registrations.

ARTICLE III

MANAGEMENT

SECTION 3.01. *Management by the General Partner*. (a) Subject to the terms and provisions of this Agreement, the management and control of the business and affairs of the Partnership shall be vested solely in, and directed and exercised solely by, the General Partner. In furtherance of the activities of the Partnership, subject to the terms and provisions of this Agreement, the General Partner shall have all rights and powers, statutory or otherwise, possessed by general partners of limited partnerships under the laws of the Cayman Islands.

(b) Except as otherwise expressly provided herein, the General Partner has full and exclusive power and authority to do, on behalf of the Partnership, all things that are deemed necessary, appropriate or desirable by the General Partner to conduct, direct and manage the business and other affairs of the Partnership and is authorized and empowered, on behalf and in the name of the Partnership, to carry out and implement, directly or through such agents as the General Partner may appoint, such actions and execute such documents as the General Partner may deem necessary or advisable, or as may be incidental to or necessary for the conduct of the business of the Partnership.

(c) The General Partner agrees to use its best efforts to meet all requirements of the Code and currently applicable regulations, rulings and other procedures of the U.S. Internal Revenue Service to ensure that the Partnership will be classified for United States federal income tax purposes as a partnership.

Table of Contents

(d) The General Partner may appoint officers, managers or agents of the Partnership and may delegate to such officers, managers or agents all or part of the powers, authorities, duties or responsibilities possessed by or imposed on the General Partner pursuant to this Agreement (without limitation on the General Partner s ability to exercise such powers, authorities or responsibilities directly at any time); *provided* that, notwithstanding anything herein or in any other agreement to the contrary, the General Partner may remove any such officer, manager or agent, and may revoke any or all such powers, authorities and responsibilities so delegated to any such person, in each case at any time with or without cause. The General Partner agrees that the officers of the Partnership shall consist of such positions and titles that the General Partner may in its discretion designate or create, including a Chairman, a Chief Executive Officer, a President, a Chief Financial Officer, one or more Vice Presidents, a Treasurer, one or more Assistant Treasurers, a Secretary or one or more Assistant Secretaries. The General Partner agrees that a single person may hold more than one office. The General Partner agrees that each officer shall hold office until his successor is chosen, or until his death, resignation or removal from office.

Each of such officers shall have such powers and duties with respect to the business and other affairs of the Partnership, and shall be subject to such restrictions and limitations, as are prescribed from time to time by the General Partner; *provided*, *however*, that each officer shall at all times be subject to the direction and control of the General Partner in the performance of such powers and duties.

(e) Notwithstanding anything to the contrary herein, without the prior written consent of the Limited Partners (by affirmative vote of a Majority in Interest), the General Partner shall not take any action that may adversely affect Cantor s Purchase Right (as defined in the Separation Agreement) in Section 4.11 of the Separation Agreement.

SECTION 3.02. *Role and Voting Rights of Limited Partners; Authority of Partners*. (a) *Limitation on Role of Limited Partners*. No Limited Partner shall have any right of control or management power over the business or other affairs of the Partnership as a result of its status as a Limited Partner except as otherwise provided in this Agreement. No Limited Partner shall participate in the control of the Partnership s business in any manner that would, under the Act, subject such Limited Partner to any liability beyond those liabilities expressly contemplated hereunder, including holding himself, herself or itself out to third parties as a general partner of the Partnership; *provided* that any Limited Partner may be an employee of the Partnership or any of its Affiliates and perform such duties and do all such acts required or appropriate in such role, and no such performance or acts shall subject such Limited Partner to any liability beyond those liabilities expressly contemplated hereunder. Without limiting the generality of the foregoing, in accordance with, and to the fullest extent permitted by the Act, Limited Partners (directly or through an Affiliate) (i) may consult with and advise the General Partner or any other Person (including, if applicable, the general partner of the General Partner) with respect to any matter, including the business of the Partnership, (ii) may, or may cause the General Partner or any other Person (including, if applicable, the general partner of the General Partner) to, take or to refrain from taking any action, including by proposing, approving, consenting or disapproving, by voting or otherwise, with respect to any matter, including the business of the Partnership, (iii) may transact business with the General Partner (including, if applicable, the general partner of the General Partner) or the Partnership, and (iv) may be an officer, director, partner or stockholder of the General Partner (including, if applicable, the general partner of the General Partner) or have its Representatives serve as officers or directors of the General Partner (including, if applicable, of the general partner of the General Partner) without incurring additional liabilities to third parties.

(b) *No Limited Partner Voting Rights*. To the fullest extent permitted by the Act, the Limited Partners shall not have any voting rights under the Act, this Agreement or otherwise, and shall not be entitled to consent to, approve or authorize any actions by the Partnership or the General Partner, except in each case as otherwise provided in this Agreement.

(c) *Authority of Partners*. Except as set forth herein with respect to the General Partner, no Limited Partner shall have any power or authority, in such Partner s capacity as a Limited Partner, to act for or bind the Partnership except to the extent that such Limited Partner is so authorized in writing prior thereto by the General Partner. Without limiting the generality of the foregoing, except as set forth herein with respect to

Table of Contents

the General Partner, no Limited Partner, as such, shall, except as so authorized, have any power or authority to incur any liability or execute any instrument, agreement or other document for or on behalf of the Partnership, whether in the Partnership s name or otherwise. Persons dealing with the Partnership are entitled to rely conclusively upon the power and authority of the General Partner. Each Limited Partner hereby agrees that, except to the extent provided in this Agreement and except to the extent that such Limited Partner shall be the General Partner, it will not participate in the management or control of the business and other affairs of the Partnership, will not transact any business for the Partnership and will not attempt to act for or bind the Partnership.

ARTICLE IV

PARTNERS; CLASSES OF PARTNERSHIP INTERESTS

SECTION 4.01. *Partners*. The Partnership shall have (a) a General Partner and, (b) one or more Limited Partners (including, for the avoidance of doubt, the Special Voting Limited Partner). *Schedule 4.01* sets forth the name and address of the Partners. *Schedule 4.01* shall be amended pursuant to Section 1.03 to reflect any change in the identity or address of the Partners in accordance with this Agreement. Each Person admitted to the Partnership as a Partner pursuant to this Agreement shall be a partner of the Partnership until such Person ceases to be a Partner in accordance with the provisions of this Agreement.

SECTION 4.02. *Interests*. (a) *Generally*. (i) *Classes of Interests*. Interests in the Partnership shall be divided into two classes: (A) a General Partnership Interest; and (B) Limited Partnership Interests (including, for the avoidance of doubt, the Special Voting Limited Partnership Interest). The General Partnership Interest and the Limited Partnership Interests shall consist of, and be issued as, Units and Capital. The aggregate number of authorized Units is 600,000,000. The aggregate number of authorized Units shall not be changed, modified or adjusted from that set forth in the immediately preceding sentence; *provided* that, in the event that the total number of authorized shares of BGC Partners Common Stock under the certificate of incorporation of BGC Partners shall be increased or decreased after the date of this Agreement, then the total number of authorized Units shall be correspondingly increased or decreased by the same number so that the number of the authorized Units equals the number of authorized shares of BGC Partners Common Stock. Any Units repurchased by or otherwise transferred to the Partnership or otherwise forfeited or cancelled shall be cancelled and thereafter deemed to be authorized but unissued, and may be subsequently issued as Units for all purposes hereunder in accordance with this Agreement.

(ii) *Issuances of Additional Units.* Any authorized but unissued Units may be issued:

(1) pursuant to the Contribution and *Schedule 2.03* of the Separation Agreement;

(2) (A) to members of the BGC Partners Group and/or Holdings Group, as the case may be, in connection with an investment in the Partnership by the members of the BGC Partners Group and/or Holdings Group, as the case may be, in each case as provided in Section 4.11 of the Separation Agreement;

(3) to members of the Holdings Group, in connection with a redemption pursuant to Section 12.03 of the Holdings Limited Partnership Agreement;

(4) as otherwise agreed by each of the General Partner and the Limited Partners (by affirmative vote of a Majority in Interest);

(5) to BGC Partners or Holdings in connection with a grant of equity by BGC Partners or Holdings, respectively, pursuant to the BGC Holdings, L.P. Participation Plan; and

(6) to any Partner in connection with a conversion of an issued Unit and Interest into a different class or type of Unit and Interest in accordance with this Agreement;

Table of Contents

provided that each Person to be issued additional Units pursuant to clause (1), (2), (3), (4) or (5) of this sentence shall, as a condition to such issuance, execute and deliver to the Partnership an agreement in which the such Person agrees to be admitted as a Partner with respect to such Units and bound by this Agreement and any other agreements, documents or instruments specified by the General Partner; *provided*, *however*, that if such Person (A) is at the time of such issuance a Partner of the applicable class of Interests being issued or (B) has previously entered into an agreement pursuant to which such Person shall have agreed to become a Partner and be bound by this Agreement with respect to the applicable class of Interests being issued (which agreement is in effect at the time of such issuance), such Person shall not be required to enter into any such agreements unless otherwise determined by the General Partner. Upon any such issuance, any such Person not already a Partner shall be admitted as a limited partner with respect to the issued Interests.

(b) *General Partnership Interest*. The Partnership shall have one General Partnership Interest. The Unit issued to the General Partner in respect of such Partner s General Partnership Interest is set forth on *Schedule 4.02*. *Schedule 4.02* shall be amended pursuant to Section 1.03 to reflect any change in the number or the issuance or allocation of the Unit in respect of such Partner s General Partnership Interest in accordance with this Agreement.

(c) *Limited Partnership Interests*. (i) The Partnership shall have one or more Limited Partnership Interests. The number of Units issued to each Limited Partner in respect of such Partner s Limited Partnership Interest is set forth on *Schedule 4.02*. *Schedule 4.02* shall be amended pursuant to Section 1.03 to reflect any change in the number or the issuance or allocation of the Units in respect of such Partner s Limited Partnership Interest in accordance with this Agreement.

(ii) The Partnership shall have one Limited Partnership Interest designated as the Special Voting Limited Partnership Interest, as provided in Section 4.03(b). There shall only be one (1) Unit associated with the Special Voting Limited Partnership Interest. All other Limited Partnership Interests shall be designated as Limited Partnership Interests.

(d) *No Additional Classes of Interests*. There shall be no additional classes of partnership interests in the Partnership.

SECTION 4.03. *Admission and Withdrawal of Partners*. (a) *General Partner*. (i) The initial General Partner is BGC Global Holdings, GP Limited. On the date of this Agreement, immediately following the Separation, BGC Global Holdings, GP Limited shall have the General Partnership Interest, which shall have the Unit and the Capital set forth on *Schedule 4.02* and *Schedule 5.01*, respectively.

(ii) The admission of a Transferee as a General Partner, and resignation or withdrawal of any General Partner, shall be governed by Section 7.02.

(iii) Effective immediately upon the Transfer of the General Partner s entire General Partnership Interest as provided in Section 7.02(c), such Partner shall cease to have any interest in the profits, losses, assets, properties or capital of the Partnership with respect to such General Partnership Interest and shall cease to be the General Partner.

(b) *Limited Partners*. (i) The initial Limited Partners are Holdings and BGC Holdings Global, and the initial Special Voting Limited Partner is BGC Global Holdings, GP Limited. On the date of this Agreement, immediately following the Separation, the Limited Partners shall have the Limited Partnership Interests (including, for the avoidance of doubt, the Special Voting Limited Partnership Interest), which shall have the Units and the Capital set forth on *Schedule 4.02* and *Schedule 5.01*, respectively.

(ii) The admission of a Transferee as a Limited Partner pursuant to any Transfer permitted by Section 7.02(a) or 7.02(b), as applicable, shall be governed by Section 7.02, and the admission of a Person as a Limited Partner in connection with the issuance of additional Units pursuant to Section 4.02(a)(ii) shall be governed by such applicable Section.

(iii) Effective immediately upon the Transfer of a Limited Partner s entire Limited Partnership Interest as provided in Section 7.02(a) or 7.02(b), as applicable, such Partner shall cease to have any

Table of Contents

interest in the profits, losses, assets, properties or capital of the Partnership with respect to such Limited Partnership Interest, and shall cease to be a Limited Partner.

(c) *No Additional Partners*. No additional Partners shall be admitted to the Partnership except in accordance with this Article IV.

SECTION 4.04. *Liability to Third Parties; Capital Account Deficits*. (a) Except as may otherwise be expressly provided by the Act, the General Partner shall have unlimited personal liability for the satisfaction and discharge of all debts, liabilities, contracts and other obligations of the Partnership. The General Partner shall not be personally liable for the return of any portion of the capital contribution of any Limited Partner, the return of which shall be made solely from the Partnership s assets.

(b) Except as may otherwise be expressly provided by the Act or this Agreement, no Limited Partner shall be liable for the debts, liabilities, contracts or other obligations of the Partnership. Each Limited Partner shall be liable only to make its capital contributions as provided in this Agreement or the Separation Agreement or as otherwise agreed by such Limited Partner and the Partnership in writing after the date of this Agreement and shall not be required, after its capital contribution shall have been paid, to make any further capital contribution to the Partnership or to lend any funds to the Partnership except as otherwise expressly provided in this Agreement or the Separation Agreement or as otherwise agreed by such Limited Partner and the Partnership in writing after the date of this Agreement. No Limited Partner shall be required to repay the Partnership, any Partner or any creditor of the Partnership any negative balance in such Limited Partner s Capital Account.

(c) No Limited Partner shall be liable to make up any deficit in its Capital Account; *provided* that nothing in this Section 4.04(c) shall relieve a Partner of any liability it may otherwise have, either pursuant to the terms of this Agreement or pursuant to the terms of any agreement to which the Partnership or such Partner may be a party.

SECTION 4.05. *Classes*. Any Person may own one or more classes of Interests. Except as otherwise specifically provided herein, the ownership of other classes of Interests shall not affect the rights or obligations of a Partner with respect to other classes of Interests. As used in this Agreement, the General Partner and the Limited Partners (including the Special Voting Limited Partner) shall be deemed to be separate Partners even if any Partner holds more than one class of Interest. References to a certain class of Interest with respect to any Partner shall refer solely to that class of Interest of such Partner and not to any other class of Interest, if any, held by such Partner.

SECTION 4.06. *Certificates*. The Partnership may, in the discretion of the General Partner, issue any or all Units in certificated form, which certificates shall be held by the Partnership as custodian for the applicable Partners. The form of any such certificates shall be approved by the General Partner and include the legend required by Section 7.06. If certificates are issued, a transfer of Units will require delivery of an endorsed certificate.

SECTION 4.07. *Priority Among Partners*. No Partner shall be entitled to any priority or preference over any other Partner either as to return of capital contributions or as to profits, losses or distributions, except to the extent that this Agreement may be deemed to establish such a priority or preference.

ARTICLE V

CAPITAL AND ACCOUNTING MATTERS

SECTION 5.01. *Capital*. (a) *Capital Accounts*. There shall be established on the books and records of the Partnership a Capital Account for each Partner. *Schedule 5.01* sets forth the names and the Capital Account of

Table of Contents

the Partners as of the date of this Agreement. *Schedule 5.01* shall be amended pursuant to Section 1.03 to reflect any change in the identity or Capital Accounts in accordance with this Agreement.

(b) *Capital Contributions*. (i) On the date of this Agreement, contributions of assets, property and/or cash shall be made by or on behalf of the Partners listed on *Schedule 4.01* in connection with the Contribution, pursuant to the terms set forth in the Separation Agreement.

(ii) In return for such initial contributions, Interests shall be issued or Transferred to the Partners as provided on *Schedule 5.01*.

(iii) The parties shall treat the contributions described in this Section 5.01(b) as contributions pursuant to Section 721 of the Code in which no gain or loss is recognized to any extent, except as otherwise required pursuant to a determination within the meaning of Section 1313(a)(1) of the Code.

(iv) Except as otherwise provided in Section 5.01(b)(i), no capital contributions shall be required (A) unless otherwise determined by the General Partner and agreed to by the contributing Partner, or (B) unless otherwise determined by the General Partner in connection with the admission of a new Partner or the issuance of additional Interests to a Partner.

(v) The Partnership may invest or cause to be invested all amounts received by the Partnership as capital contributions in its sole and absolute discretion.

SECTION 5.02. *Withdrawals; Return on Capital*. No Partner shall be entitled to withdraw or otherwise receive any distributions in respect of any Interest (including the associated Units or Capital), except as provided in Section 6.01 or Section 8.03. The Partners shall not be entitled to any return on their Capital.

SECTION 5.03. *Maintenance of Capital Accounts*. As of the end of each Accounting Period, the balance in each Partner s Capital Account shall be adjusted by (a) increasing such balance by (i) such Partner s allocable share of each item of the Partnership s income and gain for such Accounting Period (allocated in accordance with Section 5.04(a)) and (ii) the amount of cash or the fair market value of other property (determined in accordance with Section 5.05) contributed to the Partnership by such Partner in respect of such Partner s related Interest during such Accounting Period, net of liabilities assumed by the Partnership with respect to such other property, and (b) decreasing such balance by (i) the amount of cash or the fair market value of other property (determined in accordance with Section 5.05) distributed to such Partner in respect of such class of Interest associated with such Capital Account pursuant to this Agreement, net of liabilities (if any) assumed by such Partner with respect to such other property, and (ii) such Partner s allocable share of each item of the Partnership s deduction and loss for such Accounting Period (allocated in accordance with Section 5.04(a)). The balances in each Partners Capital Account shall also be adjusted at the time and in the manner permitted by the capital accounting rules of the Treasury Regulation section 1.704-1(b)(2)(iv)(f). The foregoing and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with Treasury Regulation section 1.704-1(b), and shall be interpreted and applied in a manner consistent therewith.

SECTION 5.04. *Allocations and Tax Matters*. (a) *Book Allocations*. After giving effect to the allocations set forth in Section 2 of *Exhibit A* hereto, for purposes of computing Capital Accounts and allocating any items of income, gain, loss or deduction thereto, with respect to each Accounting Period, all remaining items of income, gain, loss or deduction of the Partnership (calculated in the manner contemplated by the capital accounting rules of the Treasury Regulations promulgated under Section 704(b) of the Code, and regardless of whether the Partnership has net income) shall be allocated among the Capital Accounts of the Interests in proportion to their Percentage Interest as of the end of such Accounting Period; *provided*, *however*, that upon any Closing of the Books Event (other than an event described in clauses (a) of such definition), the value of each asset on the books of the Partnership shall be adjusted to equal its gross fair market value (as reasonably determined by the General Partner) at such time, and the amount of such adjustment shall be taken into account as gain (if such adjustment is positive) or loss (if such adjustment is negative) from the disposition of such asset for purposes of this Section 5.04(a); *provided*, *further*, that any and all items of income, gain, loss or deduction to the extent resulting

Table of Contents

from a Special Item will be allocated entirely to the Capital Accounts of the Limited Partnership Interests (other than the Special Voting Limited Partnership Interest) held by Partners who are members of the Holdings Group, *pro rata* in proportion to the number of Units (other than the Units underlying the Special Voting Limited Partnership Interest) held by such Partners. If, after any allocation of items of income, gain, loss or deduction resulting from a Special Item, there is an exchange of an Exchangeable Limited Partnership Interest (as defined in the Holdings Limited Partnership Agreement) or a Founding Partner Interest (as defined in the Holdings Limited Partnership Agreement) with BGC Partners for BGC Partners Common Stock, then (A) the Capital Account of the Limited Partnership Interests provided to BGC Partners in connection with such exchange pursuant to Section 8.07 of the Holdings Limited Partnership Agreement shall be equal to (1) the total Capital for all issued and outstanding Interests, *divided by* (2) the total number of issued and outstanding Units, *multiplied by* (3) the number of Units underlying such Limited Partnership Interest (as appropriately adjusted to reflect the impact of any Special Item and the intention of the Parties for Holdings (and not BGC Partners) to realize the economic benefits and burdens of such Special Item); and (B) any increase or decrease in the remaining Capital for all issued and outstanding Interests as a result of clause (A) of this sentence shall be allocated to the Capital Accounts of the Limited Partnership Interests (other than the Special Voting Limited Partnership Interest) held by Partners who are members of the Holdings Group, *pro rata* in proportion to the number of Units (other than the Units underlying the Special Voting Limited Partnership Interest) held by such Partners.

(b) *Tax Allocations*. Except as otherwise required under Section 704(c) of the Code and the Treasury Regulations promulgated thereunder, the Partnership shall cause each item of income, gain, loss or deduction recognized by the Partnership to be allocated among the Partners for U.S. federal, state and local income and, where relevant, non-U.S. tax purposes in the same manner that each such item is allocated to the Partners Capital Accounts or as otherwise provided herein. In the event the value of any Partnership assets is adjusted pursuant to the first proviso of Section 5.04(a), subsequent allocations of income, gain, loss, and deduction with respect to such asset shall take account of any variation between the adjusted basis of such asset for United States federal income tax purposes and its adjusted value in the same manner as under Section 704(c) of the Code and the Regulations thereunder. Allocations required by Section 704(c) of the Code shall be made using the traditional method described in Treasury Regulation Section 1.704-3(b).

SECTION 5.05. *General Partner Determinations*. All determinations, valuations and other matters of judgment required to be made for purposes of this Article V, including with respect to allocations to Capital Accounts and accounting procedures and tax matters not expressly provided for by the terms of this Agreement, or for determining the value of any type or form of proceeds, contribution or distributions hereunder shall be made by the General Partner in good faith. In the event that an additional Partner is admitted to the Partnership and contributes property to the Partnership, or an existing Partner contributes additional property to the Partnership, pursuant to this Agreement, the value of such contributed property shall be the fair market value of such property as reasonably determined by the General Partner.

SECTION 5.06. *Books and Accounts*. (a) The Partnership shall at all times keep or cause to be kept true and complete records and books of account, which records and books shall be maintained in accordance with U.S. generally accepted accounting principles. Such records and books of account shall be kept at the principal place of business of the Partnership by the General Partner. The Limited Partners shall have the right to gain access to all such records and books of account (including schedules thereto) for inspection and view (at such reasonable times as the General Partner shall determine) for any purpose reasonably related to their Interests. The Partnership s accounts shall be maintained in U.S. dollars.

(b) The Partnership s fiscal year shall begin on the first day of January and end on the thirty-first day of December of each year, or shall be such other period designated by the General Partner. At the end of each fiscal year, the Partnership s accounts shall be prepared, presented to the General Partner and submitted to the Partnership s auditors for examination.

(c) The Partnership s auditors shall be an independent accounting firm of international reputation to be appointed from time to time by the General Partner. The Partnership s auditors shall be entitled to receive

Table of Contents

promptly such information, accounts and explanations from the General Partner and each Partner that they deem reasonably necessary to carry out their duties. The Partners shall provide such financial, tax and other information to the Partnership as may be reasonably necessary and appropriate to carry out the purposes of the Partnership.

SECTION 5.07. *Tax Matters Partner*. The General Partner is hereby designated as the tax matters partner of the Partnership, in accordance with the Treasury Regulations promulgated pursuant to Section 6231 of the Code and any similar provisions under any other state or local or non-U.S. tax laws. The General Partner shall have the authority, in its sole and absolute discretion, to (a) make an election under Section 754 of the Code on behalf of the Partnership, and each Partner agrees to provide such information and documentation as the General Partner may reasonably request in connection with any such election, (b) determine the manner in which excess nonrecourse liabilities (within the meaning of Treasury Regulation Section 1.752-3(a)(3)) are allocated among the Partners and (c) make any other election or determination with respect to taxes (including with respect to depreciation, amortization and accounting methods).

SECTION 5.08. *Tax Information*. The Partnership shall use commercially reasonable efforts to prepare and mail as soon as reasonably practicable after the end of each taxable year of the Partnership, to each Partner (and each other Person that was such a Partner during such taxable year or its legal representatives), U.S. Internal Revenue Service Schedule K-1, Partner s Share of Income, Credits, Deductions, Etc., or any successor schedule or form, for such Person.

SECTION 5.09. *Withholding*. Notwithstanding anything herein to the contrary, the Partnership is authorized to withhold from distributions and allocations to the Partners, and to pay over to any federal, state, local or foreign governmental authority any amounts believed in good faith to be required to be so withheld pursuant to the Code or any provision of any other federal, state, local or foreign law and, for all purposes under this Agreement, shall treat such amounts (together with any amounts that are withheld from payments to the Partnership or any of its Subsidiaries attributable to a direct or indirect Partner of the Partnership) as distributed to those Partners with respect to which such amounts were withheld. If the Partnership is obligated to pay any amount to a taxing authority on behalf of (or in respect of an obligation of) a Partner (including, federal, state and local or other withholding taxes), then such Partner shall indemnify the Partnership in full for the entire amount of any Tax (but not any interest, penalties or other expenses associated with such payment).

ARTICLE VI

DISTRIBUTIONS

SECTION 6.01. *Distributions in Respect of Partnership Interests*. Subject to the remaining sentences of this Section 6.01, the Partnership shall distribute to each Partner from such Partner s Capital Account (a) on or prior to each Estimated Tax Due Date (i) such Partner s Estimated Proportionate Quarterly Tax Distribution for such fiscal quarter, *plus* (ii) with respect to Partners who are members of the Holdings Group, an amount (positive or negative) calculated using the methodology contemplated by the definition Estimated Proportionate Quarterly Tax Distribution (taking into account for this purpose items of income, gain, loss or deduction allocated in respect of any Special Item and disregarding all other items) for such fiscal quarter in respect of any items of income, gain, loss or deduction allocated in respect of any Special Item, and (b) as promptly as practicable after the end of each fiscal quarter of the Partnership (as determined by the General Partner) an amount equal to the excess (if any) of (x) the net positive cumulative amount allocated to such Partner s Capital Account pursuant to Section 5.04(a) or *Exhibit A* hereto after the date of this Agreement over (y) the amount of any prior distributions to such Partner pursuant to this Section 6.01; *provided* that in each case appropriate adjustments shall be made to reflect any amounts treated as distributed pursuant to Section 5.09; *provided, however*, that with the prior written consent of the holders of a Majority in Interest of the Limited Partnership Interests, the Partnership may decrease the total amount distributed by the Partnership pursuant to Section 6.01(b). Notwithstanding anything to the

Table of Contents

contrary set forth in this Section 6.01, in the event the Partnership is unable to make the distributions contemplated by the foregoing as a result of any Special Item, then the Partnership shall use reasonable best efforts to borrow such amounts as are necessary to make distributions that would have been received by the BGC Partners Group in the absence of any such Special Item and to make the Estimated Proportionate Quarterly Tax Distributions to the Cantor Group, and the costs of any such costs borrowing shall be treated as a Special Item. No distributions shall be made by the Partnership except as expressly contemplated by Sections 6.01(a), 6.01(b) and 8.03(a).

SECTION 6.02. *Limitation on Distributions*. Notwithstanding any provision to the contrary contained in this Agreement, the Partnership and the General Partner, on behalf of the Partnership, shall not be required to make a distribution to a Partner on account of its interest in the Partnership if such distribution would violate the Act or any other applicable law.

ARTICLE VII

TRANSFERS OF INTERESTS

SECTION 7.01. *Transfers Generally Prohibited*. No Partner may Transfer or agree or otherwise commit to Transfer all or any portion of, or any of rights, title and interest in and to, its Interest, except as permitted by the terms and conditions set forth in this Article VII. The Schedules shall be revised pursuant to Section 1.03 from time to time to reflect any change in the Partners or Interests to reflect any Transfer permitted by this Article VII.

SECTION 7.02. *Permitted Transfers*. (a) *Limited Partnership Interests*. No Limited Partner (other than the Special Voting Limited Partner, which shall be governed by Section 7.02(b)) may Transfer or agree or otherwise commit to Transfer all or any portion of, or any right, title and interest in and to, its Limited Partnership Interest (other than the Special Voting Limited Partner, which shall be governed by Section 7.02(b)), except any such Transfer (i) pursuant to Section 4.02(a)(ii), 4.03(b)(i) in connection with the Contribution and the Separation or Section 7.02(b); (ii) if such Limited Partner shall be a member of the BGC Partners Group or the Holdings Group (the *Group Transferor*), to any member of the BGC Partners Group or the Holdings Group (the *Group Transferee*), including in connection with the exchange of Holdings Units for BGC Partners Common Stock pursuant to the Holdings Limited Partnership Agreement; or (iii) for which the General Partner and the Limited Partners (with such consent to require the affirmative vote of a Majority in Interest) shall have provided their respective prior written consent (which consent shall not be unreasonably withheld or delayed, *provided* that if such Transfer could reasonably be expected to result in the Partnership being classified or treated as a publicly traded partnership for U.S. federal income tax purposes, the withholding of consent to such Transfer shall not be deemed unreasonable) (including any Transfer to the Partnership).

(b) *Special Voting Limited Partnership Interest*. The Special Voting Limited Partner may not Transfer or agree or otherwise commit to Transfer all or any portion of, or any right, title and interest in and to, its Special Voting Limited Partnership Interest, except any such Transfer (i) to a wholly owned Subsidiary of Holdings; *provided* that, in the event that such other Person shall cease to be a wholly owned Subsidiary of Holdings, the Special Voting Limited Partnership Interest shall automatically be Transferred to Holdings, without the requirement of any further action on the part of the Partnership, Holdings or any other person; or (ii) pursuant to Section 4.03(b)(i) in connection with the Contribution and the Separation. Upon removal of any Special Voting Limited Partner, notwithstanding anything herein to the contrary, the Special Voting Limited Partnership Interest shall be transferred to the Person being admitted as the new Special Voting Limited Partner, simultaneously with admission and without the requirement of any action on the part of the Special Voting Limited Partner being removed or any other Person.

(c) *General Partnership Interest*. The General Partner may not Transfer or agree or otherwise commit to Transfer all or any portion of, or any right, title and interest in and to, its General Partnership Interest, unless (i) to a new General Partner in accordance with this Section, (ii) with the prior written consent (not to

be unreasonably withheld or delayed) of the Special Voting Limited Partner or (iii) pursuant to Section 4.03(a)(i) in connection with the Contribution and the Separation. Any General Partner may be removed at any time, with or without cause, by the Special Voting Limited Partner in its sole and absolute discretion and the General Partner may resign from the Partnership for any reason; *provided*, *however*, that, as a condition to any such removal or resignation, (A) the Special Voting Limited Partner shall first appoint another Person as the new General Partner; (B) such Person shall be admitted to the Partnership as the new General Partner (upon the execution and delivery of an agreement to be bound by the terms of this Agreement and such other agreements, documents or instruments requested by the resigning General Partner); and (C) such resigning or removed General Partner shall Transfer its entire General Partnership Interest to the new General Partner. The admission of the new General Partner shall be deemed effective immediately prior to the effectiveness of the resignation of the resigning General Partner, and shall otherwise have the effects set forth in Section 4.03(a)(iii). Upon removal of any General Partner, notwithstanding anything herein to the contrary, the General Partnership Interest shall be transferred to the Person being admitted as the new General Partner, simultaneously with admission and without the requirement of any action on the part of the General Partner being removed or any other Person.

SECTION 7.03. *Admission as a Partner Upon Transfer.* Notwithstanding anything to the contrary set forth herein, a Transferee who has otherwise satisfied the requirements of Section 7.02 shall become a Partner, and shall be listed as a Limited Partner, Special Voting Limited Partner or General Partner as applicable, on *Schedule 4.01*, and shall be deemed to receive the Interest being Transferred, in each case only at such time as such Transferee executes and delivers to the Partnership an agreement in which the Transferee agrees to be admitted as a Partner and bound by this Agreement and any other agreements, documents or instruments specified by the General Partner and such agreements (when applicable) shall have been duly executed by the General Partner; *provided*, *however*, that if such Transferee is (a) at the time of such Transfer a Partner of the applicable class of Interests being Transferred or (b) has previously entered into an agreement pursuant to which the Transferee shall have agreed to become a Partner and be bound by this Agreement (which agreement is in effect at the time of such Transfer), such Transferee shall not be required to enter into any such agreements unless otherwise determined by the General Partner; *provided*, *further*, that the Transfers, admissions to and withdrawals from the Partnership as Partners, contemplated by Sections 4.03(a)(i) or 4.03(b)(i) shall not require the execution or delivery of any further agreements or other documentation hereunder.

SECTION 7.04. *Transfer of Units and Capital with the Transfer of an Interest.* Notwithstanding anything herein to the contrary, each Partner who Transfers an Interest shall be deemed to have Transferred the entire Interest, including the associated Units and Capital with respect to such Interest, or, if a portion of an Interest is being Transferred, each Partner who Transfers a portion of an Interest shall specify the number of Units being so Transferred and such Transfer shall include a proportionate amount of Capital with respect to such Interest, to the Transferee.

SECTION 7.05. *Encumbrances.* No Partner may charge or encumber its Interest or otherwise subject its Interest to a lien, pledge, security interest, right of first refusal, option or other similar limitation except in each case for those created by this Agreement.

SECTION 7.06. *Legend.* Each Partner agrees that any certificate issued to it to evidence its Interests shall have inscribed conspicuously on its front or back the following legend:

THE PARTNERSHIP INTEREST IN BGC PARTNERS GLOBAL HOLDINGS, L.P. REPRESENTED BY THIS CERTIFICATE (INCLUDING ASSOCIATED UNITS AND CAPITAL) HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE SEC*URITIES ACT*), OR REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE OR FOREIGN JURISDICTION, AND THIS PARTNERSHIP INTEREST MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED, ENCUMBERED OR OTHERWISE DISPOSED OF, IN WHOLE OR IN PART, EXCEPT (A) EITHER (1) WHILE A REGISTRATION STATEMENT

Table of Contents

UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE REGISTRATIONS AND QUALIFICATIONS ARE IN EFFECT OR (2) PURSUANT TO AN AVAILABLE EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT (INCLUDING, IF APPLICABLE, REGULATION S THEREUNDER) AND SUCH OTHER APPLICABLE LAWS AND (B) IF PERMITTED BY THE LIMITED PARTNERSHIP AGREEMENT OF BGC PARTNERS GLOBAL HOLDINGS, L.P., AS IT MAY BE AMENDED FROM TIME TO TIME, WHICH CONTAINS STRICT PROHIBITIONS ON TRANSFERS, SALES, ASSIGNMENTS, PLEDGES, HYPOTHECATIONS, ENCUMBRANCES OR OTHER DISPOSITIONS OF THIS PARTNERSHIP INTEREST OR ANY INTEREST THEREIN (INCLUDING ASSOCIATED UNITS AND CAPITAL).

SECTION 7.07. *Effect of Transfer Not in Compliance with this Article.* Any purported Transfer of all or any part of a Partner s Interest, or any interest therein, that is not in compliance with this Article VII shall, to the fullest extent permitted by law, be void *ab initio* and shall be of no effect.

ARTICLE VIII

DISSOLUTION

SECTION 8.01. *Dissolution.* The Partnership shall be dissolved and its affairs wound up upon the first to occur of the following:

(a) an election to dissolve the Partnership made by the General Partner; *provided* that such dissolution shall require the prior approval of (x) a majority vote of a quorum consisting of Disinterested Directors and (y) the Limited Partners (by affirmative vote of a Majority in Interest);

(b) at any time there are no limited partners of the Partnership, unless the business of the Partnership is continued in accordance with the Act;

(c) any event that results in the General Partner ceasing to be a general partner of the Partnership under the Act, provided that the Partnership shall not be dissolved and required to be wound up in connection with any such event if (A) at the time of the occurrence of such event there is at least one remaining general partner of the Partnership who is hereby authorized to and does carry on the business of the Partnership, or (B) within 90 days after the occurrence of such event, a majority of the Limited Partners agree in writing or vote to continue the business of the Partnership and to the appointment, effective as of the date of such event, if required, of one or more additional general partners of the Partnership; or

(d) otherwise pursuant to the Act.

None of the Partners shall have any right to terminate, dissolve or have redeemed their class of Interests or, except for the General Partner and otherwise to the fullest extent permitted by law, to terminate, windup or dissolve the Partnership. Absent the approval of a majority vote of a quorum consisting of Disinterested Directors, each Partner shall use its reasonable best efforts to prevent the dissolution of the Partnership.

SECTION 8.02. *Liquidation.* Upon a dissolution pursuant to Section 8.01, the Partnership s business and assets shall be wound up promptly in an orderly manner. The General Partner shall be the liquidator to wind up the affairs of the Partnership. In performing its duties, the General Partner is authorized to sell, exchange or otherwise dispose of the Partnership s business and assets in accordance with the Act in any reasonable manner that the General Partner determines to be in the best interests of the Partners. Upon completion of the winding-up of the Partnership, the General Partner shall prepare and submit to each Limited Partner a final statement with respect thereto.

Table of Contents

SECTION 8.03. *Distributions.* (a) In the event of a dissolution of the Partnership pursuant to Section 8.01, the Partnership shall apply and distribute the proceeds of the dissolution as provided below:

(i) *first*, to the creditors of the Partnership, including Partners that are creditors of the Partnership to the extent permitted by law, in satisfaction of the liabilities of the Partnership (by payment or by the making of reasonable provision for payment thereof, including the setting up of any reserves which the General Partner determines, in its sole and absolute discretion, are necessary therefor);

(ii) *second*, to the repayment of any loans or advances that may have been made by any of the Partners to the Partnership;

(iii) *third*, to the Partners in proportion to (and to the extent of) the positive balances in their respective Capital Accounts; and

(iv) *thereafter*, to the Partners in proportion to their respective Percentage Interests.

(b) *Cancellation of Certificate of Limited Partnership.* Upon completion of a liquidation and distribution pursuant to Section 8.03(a) following a dissolution of the Partnership pursuant to Section 8.01, the General Partner shall execute, acknowledge and cause to be filed a certificate of cancellation of the Certificate of Limited Partnership in the office of the Secretary of State of the State of Delaware. The Partnership s existence as a separate legal entity shall continue until cancellation of the Certificate of Limited Partnership as provided in the Act.

SECTION 8.04. *Reconstitution.* Nothing contained in this Agreement shall impair, restrict or limit the rights and powers of the Partners under the laws of the State of Delaware and any other jurisdiction in which the Partnership is doing business to reform and reconstitute themselves as a limited partnership following dissolution of the Partnership either under provisions identical to those set forth herein or any others which they may deem appropriate.

SECTION 8.05. *Deficit Restoration.* Upon the termination of the Partnership, no Limited Partner shall be required to restore any negative balance in his, her or its Capital Account to the Partnership. The General Partner shall be required to contribute to the Partnership an amount equal to its respective deficit Capital Account balances within the period prescribed by Treasury Regulation section 1.704-1(b)(2)(ii)(c).

ARTICLE IX

INDEMNIFICATION AND EXCULPATION

SECTION 9.01. *Exculpation.* Neither a General Partner nor any Affiliate or director or officer of a General Partner or any such Affiliate shall be personally liable to the Partnership or the Limited Partners for a breach of this Agreement or any fiduciary duty as a General Partner or as an Affiliate or director or officer of a General Partner or any such Affiliate, except to the extent such exemption from liability or limitation thereof is not permitted under the Act as the same exists or may hereafter be amended. Any repeal or modification of the immediately preceding sentence shall not adversely affect any right or protection of such Person existing hereunder with respect to any act or omission occurring prior to such repeal or modification. A General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisors selected by it and the opinion of any such Person as to matters which the General Partner reasonably believes to be within such Person s professional or expert competence shall be full and complete authorization and protection in respect of any action taken or suffered or omitted by the General Partner in good faith and in accordance with such opinion. A General Partner may exercise any of the powers granted to it by this Agreement and perform any of the obligations imposed on it hereunder either directly or by or through one or more agents, and the General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by the General Partner with due care.

SECTION 9.02. *Indemnification.* (a) Each Person who was or is made a party or is threatened to be made a party to or is involved in any action, suit, or proceeding, whether civil, criminal, administrative or investigative

Table of Contents

(hereinafter a *proceeding*), by reason of the fact that he or she, or a Person of whom he or she is the legal representative, is or was a or has agreed to become a General Partner, or any director or officer of the General Partner or of the Partnership, or is or was serving at the request of the Partnership as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while surviving as a director, officer, employee or agent, shall be indemnified and held harmless by the Partnership to the fullest extent authorized by the General Corporation Law of the State of Delaware (the *DGCL*) as the same exists or may hereafter be amended (but, in the case of any such amendment, to the fullest extent permitted by law, only to the extent that such amendment permits the Partnership to provide broader indemnification rights than said law permitted the Partnership to provide prior to such amendment), as if the Company were a corporation organized under the DGCL, against all expense, liability and loss (including attorneys fees, judgments, fines, amounts paid or to be paid in settlement, and excise taxes or penalties arising under the Employee Retirement Income Security Act of 1974) reasonably incurred or suffered by such Person in connection therewith and such indemnification shall continue as to a Person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; *provided*, *however*, that except as provided in Section 9.02(c), the Partnership shall indemnify any such Person seeking indemnification in connection with a proceeding (or part thereof) initiated by such Person only if such proceeding (or part thereof) was authorized by the General Partner. The right to indemnification conferred in this Section 9.02 shall be a contract right and shall include the right to be paid by the Partnership the expenses, including attorneys fees, incurred in defending any such proceeding in advance of its financial disposition; *provided*, *however*, that if applicable law requires that the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such Person while a director or officer, including, service to an employee benefit plan) in advance of the final disposition of a proceeding shall be made only upon delivery to the Partnership of an undertaking by or on behalf of such director for officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section 9.02 or otherwise. The Partnership may, by action of the General Partner, provide indemnification to employees and agents of the Partnership with the same scope and effect as the foregoing indemnification of directors and officers.

(b) To obtain indemnification under this Section 9.02, a claimant shall submit to the Partnership a written request, including therein or therewith such documentation and information as is reasonably available to the claimant and are reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Upon written request by a claimant for indemnification pursuant to the first sentence of this Section 9.02(b), a determination, if required by applicable law, with respect to the claimant s entitlement thereto shall be made as follows: (i) if requested by the claimant, by Independent Counsel (as hereinafter defined), or (ii) if no request is made by the claimant for a determination by Independent Counsel, (x) by the board of directors of BGC Partners by a majority vote of a quorum consisting of Disinterested Directors (as hereinafter defined), or (y) if a quorum of the board of directors of BGC Partners consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs, by Independent Counsel in a written opinion to the board of directors of BGC Partners, a copy of which shall be delivered to the claimant, or (z) if a quorum of Disinterested Directors so directs, by the affirmative vote of a Majority in Interest. In the event the determination of entitlement to indemnification is to be made by Independent Counsel at the request of the claimant, the Independent Counsel shall be selected by the board of directors of BGC Partners unless there shall have occurred within two years prior to the date of the commencement of the action, suit or proceeding for which indemnification is claimed a Change of Control as defined in the 1999 Long-Term Incentive Plan of eSpeed, as amended in 2003, in which case the Independent Counsel shall be selected by the claimant unless the claimant shall request that such selection be made by the board of directors of BGC Partners. If it is so determined that the claimant is entitled to indemnification, payment to the claimant shall be made within ten (10) days after such determination.

Table of Contents

(c) If a claim under Section 9.02(a) is not paid in full by the Partnership within thirty (30) days after a written claim pursuant to Section 9.02(b) has been received by the Partnership, the claimant may at any time thereafter bring suit against the Partnership to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Partnership) that the claimant has not met the standards of conduct which make it permissible under the DGCL as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Partnership to provide broader indemnification rights than it permitted the Partnership to provide prior to such amendment) for the Partnership to indemnify the claimant for the amount claimed if the Partnership were a corporation organized under the DGCL, but the burden of proving such defense shall be on the Partnership. Neither the failure of the Partnership (including the board of directors of BGC Partners, independent legal counsel or its holders of Interests) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Partnership (including the board of directors of BGC Partners or independent legal counsel or its holders of Interests) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

(d) If a determination shall have been made pursuant to Section 9.02(b) that the claimant is entitled to indemnification, the Partnership shall be bound by such determination in any judicial proceeding commenced pursuant to Section 9.02(c).

(e) The Partnership shall be precluded from asserting in any judicial proceeding commenced pursuant to Section 9.02(c) that the procedures and presumptions of this Section 9.02 are not valid, binding and enforceable and shall stipulate in such proceeding that the Partnership is bound by all the provisions of this Section 9.02.

(f) The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section 9.02 shall not be exclusive of any other right that any Person may have or hereafter acquire under any statute, provision of this Agreement, agreement, vote of the Limited Partners (by affirmative vote of a Majority in Interest) or Disinterested Directors or otherwise. No amendment or other modification of this Section 9.02 shall in any way diminish or adversely affect the rights of a General Partner, a Limited Partner or any directors, officers, employees or agents of the General Partner in respect of any occurrence or matter arising prior to any such repeal or modification.

(g) The Partnership may, to the extent authorized from time to time by the General Partner, grant rights to indemnification, and rights to be paid by the Partnership the expenses incurred in defending any proceeding in advance of its final disposition, to any employee or agent of the Partnership to the fullest extent of the provisions of this Section 9.02 with respect to the indemnification and advancement of expenses of a General Partner, a Limited Partner or any directors and officers of the General Partner.

(h) If any provision or provisions of this Section 9.02 shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Section 9.02 (including each portion of this Section 9.02 containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (ii) to the fullest extent possible, the provisions of this Section 9.02 (including each such portion of this Section 9.02 containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

(i) For purposes of this Article IX:

(i) *Disinterested Director* means a director of BGC Partners who is not and was not a party to the matter in respect of which indemnification is sought by the claimant.

Table of Contents

(ii) *Independent Counsel* means a law firm, a member of a law firm, or an independent practitioner, that is experienced in matters of corporation law and shall include any Person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Partnership or the claimant in an action to determine the claimant s rights under this Section 9.02.

(j) Any notice, request or other communication required or permitted to be given to the Partnership under this Section 9.02 shall be in writing and either delivered in person or sent by telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the General Partner and shall be effective only upon receipt by the General Partner.

SECTION 9.03. *Insurance*. The Partnership may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Partnership or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Partnership would have the power to indemnify such Person against such expense, liability or loss under the Act if the Partnership were a corporation organized under the DGCL. To the extent that the Partnership maintains any policy or policies providing such insurance, each such director or officer, and each such agent or employee to which rights of indemnification have been granted as provided in Section 9.02 shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage thereunder for any such director, officer, employee or agent.

SECTION 9.04. *Subrogation*. In the event of payment of indemnification to a Person described in Section 9.02, the Partnership shall be subrogated to the extent of such payment to any right of recovery such person may have and such person, as a condition of receiving indemnification from the Partnership, shall execute all documents and do all things that the Partnership may deem necessary or desirable to perfect such right of recovery, including the execution of such documents necessary to enable the Partnership effectively to enforce any such recovery.

SECTION 9.05. *No Duplication of Payments*. The Partnership shall not be liable under this Article IX to make any payment in connection with any claim made against a person described in Section 9.02 to the extent such Person has otherwise received payment (under any insurance policy or otherwise) of the amounts otherwise payable as indemnity hereunder.

SECTION 9.06. *Survival*. This Article IX shall survive any termination of this Agreement.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. *Amendments*. (a) Except as provided in Section 1.03 with respect to this Agreement or Section 2.01 and this Agreement may not be amended except with (and any such amendment shall be authorized upon obtaining) the approval of each of the General Partner and the Limited Partners (by the affirmative vote of a Majority in Interest); *provided* that this Agreement shall not be amended to (i) amend any provisions which require the consent of a specified percentage in interest of the Limited Partners without the consent of that specified percentage in interest of the Limited Partners; (ii) alter the interest of any Partner in the amount or timing of distributions or the allocation of profits, losses or credits (other than any such alteration caused by the acquisition of additional Units by any Partner or the issuance of additional Units to any Person pursuant to this Agreement or as otherwise expressly provided herein), if such alteration would either (A) materially adversely affect the economic interest of a Partner in the Partnership or (B) materially adversely affect the value of Interests, without the consent of (x) the Partners holding at least two-thirds of all Units in the case of an amendment applying in a substantially similar manner to all classes of Interests or (y) two-thirds in interest of the affected class or classes of the Partners in the case of any other amendment; or (iii) amend this Agreement to

Table of Contents

alter the Special Voting Limited Partner s ability to remove a General Partner; *provided*, *however*, that the General Partner may authorize, without further approval of any other Person or group, (1) any amendment to this Agreement to correct any technicality, incorrect statement or error apparent on the face hereof in order to further the intent of the parties hereto or (2) correction of any formality or error apparent on the face hereof or incorrect statement or defect in the execution hereof. Any merger or consolidation of the Partnership with any third party that shall amend or otherwise modify the terms of this Agreement shall require the approval of the Persons referred to above to the extent the approval of such Persons would have been required had such amendment or modification been effected by an amendment to this Agreement.

SECTION 10.02. *Benefits of Agreement*. None of the provisions of this Agreement shall be for the benefit of or enforceable by any creditor of the Partnership or by any creditor of any of the Partners. Except as provided in Article IX with respect to Persons entitled to indemnification pursuant to such Article, nothing in this Agreement shall be deemed to create any right in any Person not a party hereto, and this instrument shall not be construed in any respect to be a contract in whole or in part for the benefit of any third person.

SECTION 10.03. *Waiver of Notice*. Whenever any notice is required to be given to any Partner or other Person under the provisions of the Act or this Agreement, a waiver thereof in writing, signed by the Person or Persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Neither the business to be transacted at, nor the purpose of, any meeting of the Partners (if any shall be called) or the General Partner need be specified in any waiver of notice of such meeting.

SECTION 10.04. *Jurisdiction and Forum; Waiver of Jury Trial*. (a) Each of the Partners agrees, to the fullest extent permitted by law, that all Actions arising out of or in connection with this Agreement, the Partnership s affairs, the rights or interests of the Partners or the estate of any deceased Partner (to the extent that they are related to any of the foregoing), or for recognition and enforcement of any judgment arising out of or in connection with this Agreement or any breach or termination or alleged breach or termination of this Agreement, shall be tried and determined exclusively in the state or federal courts in the State of Delaware, and each of the Partners hereby irrevocably submits with regard to any such Action for itself and in respect to its property, generally and unconditionally, to the exclusive jurisdiction of the aforesaid courts. Each of the Partners hereby expressly waives, to the fullest extent permitted by law, any right it may have to assert, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any such Action: (i) any claim that it is not subject to personal jurisdiction in the aforesaid courts for any reason; (ii) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts; (iii) that (A) any of the aforesaid courts is an inconvenient or inappropriate forum for such Action, (B) venue is not proper in any of the aforesaid courts; and (iv) this Agreement, or the subject matter hereof or thereof, may not be enforced in or by any of the aforesaid courts. With respect to any action arising out of or relating to this agreement or any obligation hereunder, each Partner irrevocably and unconditionally, to the fullest extent permitted by law, (x) agrees to appoint promptly upon request from the Partnership authorized agents for the purpose of receiving service of process in any suit, action or proceeding in Wilmington, Delaware; (y) consents to service of process in any suit, action or proceeding in such jurisdictions; and (z) consents to service of process by mailing a copy thereof to the address of the Partner determined under Section 10.07 by U.S. registered or certified mail, by the closest foreign equivalent of registered or certified mail, by a recognized overnight delivery service, by service upon any agent specified pursuant to clause (x) above, or by any other manner permitted by applicable law,

(b) EACH PARTNER WAIVES ANY RIGHT TO REQUEST OR OBTAIN A TRIAL BY JURY IN ANY JUDICIAL PROCEEDING GOVERNED BY THE TERMS OF THIS AGREEMENT OR PERTAINING TO THE MATTERS GOVERNED BY THIS AGREEMENT. MATTERS GOVERNED BY THIS AGREEMENT SHALL INCLUDE, BUT ARE NOT LIMITED TO, ANY AND ALL MATTERS AND AGREEMENTS REFERRED TO IN THIS AGREEMENT AND ANY DISPUTES ARISING WITH RESPECT TO ANY SUCH MATTERS AND AGREEMENTS.

(c) The Partners acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise

Table of Contents

breached. It is accordingly agreed that the Partnership shall be entitled to an injunction or injunctions to prevent or cure breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof and thereof, this being in addition to any other remedy to which they may be entitled by law or equity.

SECTION 10.05. *Successors and Assigns*. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective estates, heirs, legal representatives, successors and permitted assigns, any additional Partner admitted in accordance with the provisions hereof and any successor to a trustee of a trust that is or becomes a party hereto.

SECTION 10.06. *Confidentiality*. Each Partner recognizes that confidential information has been and will be disclosed to such Partner by the Partnership and its Subsidiaries. Each Partner expressly agrees, whether or not at the time a Partner of the Partnership or providing services to the Partnership and/or any of its Subsidiaries, to (i) maintain the confidentiality of, and not disclose to any Person without the prior written consent of the Partnership, any financial, legal or other advisor to the Partnership, any information relating to the business, clients, affairs or financial structure, position or results of the Partnership or its affiliates (including any Affiliate) or any dispute that shall not be generally known to the public or the securities industry and (ii) not to use such confidential information other than for the purpose of evaluating such Partner s investment in the Partnership or in connection with the discharge of any duties to the Partnership or its affiliates such Partner may have in such Partner s capacity as an officer, director, employee or agent of the Partnership or its affiliates. Notwithstanding Section 10.04 or any other provision herein to the contrary, each Partner agrees that money damages would not be a sufficient remedy for any breach of this Section 10.06 by such Partner, and that in addition to all other remedies, the Partnership shall be entitled to injunctive or other equitable relief as a remedy for any such breach. Each Partner agrees not to oppose the granting of such relief and agrees to waive any requirement for the securing or posting of any bond in connection with such remedy.

SECTION 10.07. *Notices*. All notices and other communications required or permitted by this Agreement shall be made in writing and any such notice or communication shall be deemed delivered when delivered in Person, properly transmitted by telecopier or one (1) Business Day after it has been sent by an internationally recognized overnight courier to the address for notices shown in the Partnership s records (or any other address provided to the Partnership in writing for this purpose) or, if given to the Partnership, to the principal place of business of the Partnership in New York, New York. Communications by telecopier also shall be sent concurrently by overnight courier, but shall in any event be effective as stated above. Each Partner may from time to time change its address for notices under this Section 10.07 by giving at least five (5) days prior written notice of such changed address to the Partnership.

SECTION 10.08. *No Waiver of Rights*. No failure or delay on the part of any Partner in the exercise of any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such power or right preclude any other or further exercise thereof or of any other right or power. The waiver by any Partner of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other or subsequent breach hereunder. All rights and remedies existing under this Agreement are cumulative and are not exclusive of any rights or remedies otherwise available.

SECTION 10.09. *Power of Attorney*. Each Partner agrees that, by its execution of this Agreement, such Partner irrevocably constitutes and appoints the General Partner as its true and lawful attorney-in-fact coupled with an interest, with full power and authority, in its name, place and stead to make, execute, acknowledge and record (a) all certificates, instruments or documents, including fictitious name or assumed name certificates, as may be required by, or may be appropriate under, the laws of any state or jurisdiction in which the Partnership is doing or intends to do business and (b) all agreements, documents, certificates or other instruments amending this Agreement or the Certificate of Limited Partnership that may be necessary or appropriate to reflect or accomplish (i) a change in the name or location of the principal place of business of the Partnership or a change of name or address of a Partner, (ii) the disposal or increase by a Partner of his Interest in the Partnership or any part thereof,

Table of Contents

(iii) a distribution and reduction of the capital contribution of a Partner or any other changes in the capital of the Partnership, (iv) the dissolution or termination of the Partnership, (v) the addition or substitution of a Person becoming a Partner of the Partnership and (vi) any amendment to this Agreement, in each case only to the extent expressly authorized and conducted in accordance with the preceding sections of this Agreement. The power granted hereby is coupled with an interest and shall survive the subsequent disability or incapacity of the principal.

SECTION 10.10. *Severability*. If any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable law, such provision shall be modified to the minimum extent necessary to cause it to be enforceable, and the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired.

SECTION 10.11. *Headings*. The section and article headings contained in this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement. All references to Sections or Articles contained herein mean Sections or Articles of this Agreement unless otherwise stated.

SECTION 10.12. *Entire Agreement*. This Agreement amends and restates in its entirety the Original Limited Partnership Agreement. This Agreement, including the exhibits, annexes and schedules hereto and the Ancillary Agreements, constitute the entire agreement among the parties hereto and supersede all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof and thereof.

SECTION 10.13. *Governing Law*. This Agreement shall be governed by and construed in accordance with the laws of the Cayman Islands, without regard to its conflicts of law principles.

SECTION 10.14. *Counterparts*. This Agreement may be executed in one or more counterparts, all of which shall be considered one and the same agreement.

SECTION 10.15. *Opportunity; Fiduciary Duty*. To the greatest extent permitted by law and except as otherwise set forth in this Agreement, but notwithstanding any duty otherwise existing at law or in equity:

(a) None of any Holdings Company or BGC Partners Company or any of their respective Representatives shall owe any fiduciary duty to, nor shall any Holdings Company or BGC Partners Company or any of their respective Representatives be liable for breach of fiduciary duty to, the Partnership or the holders of Interests. In taking any action, making any decision or exercising any discretion with respect to the Partnership, each Holdings Company and BGC Partners Company and their respective Representatives shall be entitled to consider such interests and factors as it desires, including its own interests and those of its Representatives, and shall have no duty or obligation (i) to give any consideration to the interests of or factors affecting the Partnership, the holders of Interests or any other Person, or (ii) to abstain from participating in any vote or other action of the Partnership or any Affiliate thereof, or any board, committee or similar body of any of the foregoing. None of any BGC Partners Company, Holdings Company or any of their respective Representatives shall violate a duty or obligation to the Partnership merely because such Person s conduct furthers such Person s own interest, except as specifically set forth in Section 10.15(c). Any BGC Partners Company, Holdings Company or any of their respective Representatives may lend money to, and transact other business with, the Partnership and its Representatives. The rights and obligations of any such Person who lends money to, contracts with, borrows from or transacts business with the Partnership or any of its Representatives are the same as those of a Person who is not involved with the Partnership or any of its Representatives, subject to other applicable law. No transaction between any BGC Partners Company, Holdings Company or any of their respective Representatives, on the one hand, with the Partnership or any of its Representatives, on the other hand, shall be voidable solely because any BGC Partners Company, Holdings Company or any of their respective Representatives has a direct or indirect interest in the transaction. Nothing herein contained shall prevent any BGC Partners Company, Holdings Company or any of their respective Representatives from conducting

Table of Contents

any other business, including serving as an officer, director, employee, or stockholder of any corporation, partnership or limited liability company, a trustee of any trust, an executor or administrator of any estate, or an administrative official of any other business or not-for-profit entity, or from receiving any compensation in connection therewith.

(b) None of any BGC Partners Company, Holdings Company or any of their respective Representatives shall owe any duty to refrain from (i) engaging in the same or similar activities or lines of business as the Partnership and its Representatives, or (ii) doing business with any of the Partnership s or its Representatives clients or customers. In the event that any BGC Partners Company, Holdings Company or any of their respective Representatives acquires knowledge of a potential transaction or matter that may be a Corporate Opportunity for any BGC Partners Company, Holdings Company or any of their respective Representatives, on the one hand, and the Partnership or its Subsidiaries, on the other hand, such BGC Partners Company, Holdings Company or any of its Subsidiaries, as the case may be, shall have no duty to communicate or offer such Corporate Opportunity to the Partnership or its Representatives. None of any BGC Partners Company, Holdings Company or any of their respective Representatives shall be liable to the Partnership, the holders of Interests or its Representatives for breach of any fiduciary duty by reason of the fact that any BGC Partners Company, Holdings Company or any of their respective Representatives pursues or acquires such Corporate Opportunity for itself, directs such Corporate Opportunity to another Person or does not present such Corporate Opportunity to the Partnership or any of its Representatives.

(c) If a third party presents a Corporate Opportunity to a person who is both a Representative of a BGC Partners Company and/or a Holdings Company, expressly and solely in such Person s capacity as a Representative of the Partnership, and such Person acts in good faith in a manner consistent with the policy that such Corporate Opportunity belongs to the Partnership, then such Person shall (i) be deemed to have fully satisfied and fulfilled any fiduciary duty that such Person has to the Partnership as a Representative of the Partnership with respect to such Corporate Opportunity, (ii) shall not be liable to the Partnership, the holders of Interests or any of its Representatives for breach of fiduciary duty by reason of such Person s action or inaction with respect to such Corporate Opportunity, (iii) shall be deemed to have acted in good faith and in a manner that such Person reasonably believed to be in, and not opposed to, the Partnership s best interests, and (iv) shall be deemed not to have breached such Person s duty of loyalty to the Partnership and the holders of Interests and not have derived an improper personal benefit therefrom; *provided* that a BGC Partners Company and/or Holdings Company may pursue such Corporate Opportunity if the Partnership shall decide not to pursue such Corporate Opportunity. If a Corporate Opportunity is not presented to a Person who is both a Representative of the Partnership and a Representative of a BGC Partners Company and/or a Holdings Company, expressly and solely in such Person s capacity as a Representative of the Partnership, such Person shall not be obligated to present such Corporate Opportunity to the Partnership or to act as if such Corporate Opportunity belongs to the Partnership, and such Person shall (A) be deemed to have fully satisfied and fulfilled any fiduciary duty that such Person has to the Partnership as a Representative of the Partnership with respect to such Corporate Opportunity, (B) shall not be liable to the Partnership, any of the holders of Interests or any of its Representatives for breach of fiduciary duty by reason of such Person s action or inaction with respect to such Corporate Opportunity, (C) shall be deemed to have acted in good faith and in a manner that such person reasonably believed to be in, and not opposed to, the Partnership s best interests, and (iv) shall be deemed not to have breached such Person s duty of loyalty to the Partnership and the holders of Interests and not have derived an improper personal benefit therefrom.

(d) Any Person purchasing or otherwise acquiring any Interest shall be deemed to have notice of and to have consented to the provisions of this Section 10.15.

(e) Except to the extent otherwise modified herein, each officer of the Partnership shall have fiduciary duties identical to those of officers of business corporations organized under the DGCL. The provisions of this Agreement, to the extent that they restrict or eliminate the duties (including fiduciary duties) of a director, officer or other Person otherwise existing at law or in equity, are agreed by the parties hereto to replace such other duties of such Person.

Table of Contents

(f) Neither the alteration, amendment, termination, expiration or repeal of this Section 10.15 nor the adoption of any provision of this Agreement inconsistent with this Section 10.15 shall eliminate or reduce the effect of this Section 10.15 in respect of any matter occurring, or any cause of Action that, but for this Section 10.15, would accrue or arise, prior to such alteration, amendment, termination, expiration, repeal or adoption.

SECTION 10.16. *Reimbursement of Expenses*. All costs and expenses incurred in connection with the ongoing operation or management of the business of the Partnership or its Subsidiaries shall be borne by the Partnership or its Subsidiaries, as the case may be.

SECTION 10.17. *Effectiveness*. The Original Limited Partnership Agreement was effective for all financial and accounting purposes as of December 7, 2006. This Agreement shall be effective immediately prior to the Closing (as defined in the Separation Agreement).

SECTION 10.18. *Parity of Units*. It is the non-binding intention of each of the Partners, Global Opco and the Partnership that the number of outstanding Units shall at all times equal the number of outstanding Global Opco Units. Accordingly, in the event of any issuance or repurchase by Global Opco of Global Opco Units, it is the non-binding intention of each of the Partners, Global Opco and the Partnership that there be a parallel issuance or repurchase transaction by the Partnership so that the number of outstanding Units shall at all times equal the number of outstanding Global Opco Units, and the parties to this Agreement agree to cooperate to effect the intent of this Section 10.18.

Table of Contents

IN WITNESS WHEREOF, this Agreement has been duly executed by the general partner and the limited partners as a deed the day and year first written above.

BGC GLOBAL HOLDINGS, GP

LIMITED, as general partner

By:
Name:
Title:

BGC HOLDINGS, L.P., as a limited partner

Witnessed

By:
Name:
Title:

Witnessed

BGC HOLDINGS GLOBAL, INC.,

as a limited partner

By:
Name:
Title:

Witnessed

[Signature Page to the Agreement of Limited Partnership of BGC Global Holdings, L.P., dated as of [•], 2008, by and among BGC Global Holdings GP Ltd, Holdings and BGC Holdings Global and the Persons to be admitted as Partners or otherwise parties hereto]

Table of Contents

Annex F

REGISTRATION RIGHTS AGREEMENT

This REGISTRATION RIGHTS AGREEMENT, dated as of [•] (this *Agreement*), is made by and between BGC Partners, LLC, a Delaware limited liability company (*BGC Partners*), and Cantor Fitzgerald, L.P., a Delaware limited partnership (*Cantor*).

W I T N E S S E T H:

WHEREAS, Cantor and BGC Partners have entered into the Separation Agreement, dated as of [•], 2008, (as amended from time to time, the *Separation Agreement*), with BGC Partners, L.P., a Delaware limited partnership (*U.S. Opco*), BGC Global Holdings, L.P., a Cayman Islands limited partnership (*Global Opco*), and BGC Holdings, L.P., a Delaware limited partnership (*Holdings*), to effect the Contribution (as defined in the Separation Agreement.

WHEREAS, as part of the Contribution, Cantor received or is entitled to receive BGC Partners Common Stock (as defined below) in conjunction with the Contribution and upon exchange of Holdings Exchangeable Limited Partnership Interests (as defined below).

WHEREAS, Cantor and BGC Partners desire to enter into this Agreement to set forth the terms and conditions of the registration rights and obligations of the Cantor and BGC Partners and their respective Affiliates and certain transferees of Securities to be held by the Cantor or its Affiliates;

NOW, THEREFORE, in consideration of the premises and the covenants hereinafter contained, it is agreed as follows:

ARTICLE I

DEFINITIONS

Section 1.1 *Definitions*. As used in this Agreement, the following capitalized terms shall have the meanings ascribed to them below:

Affiliate means, with respect to any Person, any other Person that directly, or through one or more intermediaries, controls or is controlled by or is under common control with such Person. For the purposes of this definition, *control* with respect to any Person means, the direct or indirect possession of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by Contract or otherwise; and the terms *controlling* and *controlled* have meanings correlative to the foregoing.

Article III Notice has the meaning set forth in Section 3.1.

BGC Partners has the meaning set forth in the preamble (it being understood that, after the Merger Effective Time, each reference to BGC Partners in this Agreement shall refer to the Surviving Company).

BGC Partners Free Writing Prospectus means each Free Writing Prospectus prepared by or on behalf of BGC Partners other than a Cantor Free Writing Prospectus.

Business Day means any day other than a Saturday, Sunday or a day on which banks are authorized or required to be closed for business in either New York City, New York, United States of America.

Cantor has the meaning set forth in the preamble.

Cantor Group means Cantor Group as defined in the Separation Agreement.

Table of Contents

Closing means Closing as defined in the Separation Agreement.

BGC Partners Class A Common Stock means the Class A common stock, par value $0.01 per share, of BGC Partners.

BGC Partners Class B Common Stock means the Class B common stock, par value $0.01 per share, of BGC Partners.

BGC Partners Common Stock means the BGC Partners Class A Common Stock and the BGC Partners Class B Common Stock, as applicable.

BGC Partners Person has the meaning set forth in Section 6.2.

Cantor Free Writing Prospectus means each Free Writing Prospectus prepared by or on behalf of (unless prepared by BGC Partners or on behalf of BGC Partners) the relevant member of the Cantor Group and used or referred to by such member of the Cantor Group in connection with the offering of Registrable Securities.

Damages has the meaning set forth in Section 6.1.

Demand Request has the meaning set forth in Section 2.1.

Demand Registration has the meaning set forth in Section 2.1.

Disclosure Package means, with respect to any offering of securities, (i) the preliminary Prospectus, (ii) each BGC Partners Free Writing Prospectus (if any) and (iii) all other information prepared by or on behalf of BGC Partners, in each case, that is deemed under Rule 159 promulgated under the Securities Act to have been conveyed to purchasers of securities at the time of sale of such securities (including a contract of sale).

Exchange Act means the U.S. Securities Exchange Act of 1934, as from time to time amended, and the rules and regulations of the SEC promulgated thereunder.

Free Writing Prospectus means any free writing prospectus as defined in Rule 405 promulgated under the Securities Act.

Global Opco has the meaning set forth in the recitals hereto.

Holder shall mean Cantor and any Affiliate of Cantor holding Registrable Securities, in each case so long as such Holder holds Registrable Securities.

Holder Covered Persons has the meaning set forth in Section 6.1.

Holdings has the meaning set forth in the recitals hereto.

Holdings Exchangeable Limited Partnership Interest means an Exchangeable Limited Partnership Interest as defined in the New Holdings Limited Partnership Agreement.

Indemnified Party has the meaning set forth in Section 6.3.

Indemnifying Party has the meaning set forth in Section 6.3.

New Holdings Limited Partnership Agreement means the Amended and Restated Limited Partnership Agreement of BGC Holdings, L.P., as amended from time to time.

Merger means the merger of BGC Partners and eSpeed set forth in the Merger Agreement.

Merger Agreement means the Agreement and Plan of Merger, dated as of May 29, 2007, among BGC Partners, Holdings, eSpeed, Inc., a Delaware corporation, U.S. Opco and Global Opco.

Merger Effective Time means Effective Time as defined in the Merger Agreement.

Person means any individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, Governmental Entity or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

Table of Contents

Prospectus means the prospectus included in any Registration Statement, as amended or supplemented by any prospectus supplement with respect to the terms of the offering of any portion of the Registrable Securities covered by such Registration Statement or any other amendments and supplements to such prospectus, including without limitation any preliminary prospectus, any pre-effective or post-effective amendment and all material incorporated by reference in any prospectus.

Public Offering has the meaning set forth in Section 3.1.

Piggy-back Registration has the meaning set forth in Section 3.1.

Registrable Securities means shares of BGC Partners Common Stock which are issued or transferred or issued to any Holder pursuant to and in accordance with the New Holdings Limited Partnership Agreement, and any shares of BGC Partners Common Stock issued or issuable in respect of or in exchange for any such shares of BGC Partners Common Stock. As to any particular Registrable Securities, once issued such securities shall cease to be Registrable Securities when (i) a Registration Statement with respect to the sale of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such Registration Statement, (ii) such securities shall have been sold to the public pursuant to Rule 144 (or any successor provision) under the Securities Act, (iii) such securities shall have ceased to be outstanding, or (iv) such securities may be sold in the public market of the United States, in unlimited amounts, under Rule 144(k), without registration under the Securities Act. For any calculations relating to Registrable Securities herein, the Holdings Exchangeable Limited Partnership Interests are counted as the number of shares of BGC Partners Common Stock issuable in respect of such Holdings Exchangeable Limited Partnership Interests (whether or not issued), in accordance with the New Holdings Limited Partnership Agreement.

Registration Expenses has the meaning set forth in Section 5.1.

Registration Statement means any registration statement of BGC Partners which covers Registrable Securities pursuant to the provisions of this Agreement, all amendments and supplements to such registration statement, including post-effective amendments, and all exhibits and all material incorporated by reference in such registration statement.

Rule 144 has the meaning set froth in Section 7.1

SEC means the U.S. Securities and Exchange Commission.

Securities Act means the U.S. Securities Act of 1933, as from time to time amended, and the rules and regulations of the SEC promulgated thereunder.

Separation Agreement has the meaning set forth in the recitals hereto.

Surviving Company means the surviving entity in the Merger.

U.S. Opco has the meaning set forth in the recitals hereto.

ARTICLE II

DEMAND REGISTRATIONS

Section 2.1 *Requests for Registration*. Subject to the provisions of this Article II, any Holder or group of Holders shall may at any time make a written request (a *Demand Request*) for registration under the Securities Act of a number of shares of Registrable Securities that (1) represents at least 10% of the shares of BGC Class A Common Stock outstanding on the date of the Demand Request or (2) has an aggregate market value on the date of the Demand Request of greater than $20 million (such written Request, a *Demand Registration*). Such Demand Requests shall specify the amount of Registrable Securities to be registered and the intended method or methods of disposition. BGC Partners shall, subject to the provisions of this Article II and to the Holders compliance with their obligations under the provisions of this Agreement, as promptly as practicable register

Table of Contents

under the Securities Act all Registrable Securities included in such Demand Request, for disposition in accordance with the intended method or methods set forth therein; *provided* that if the managing underwriter(s) for a Demand Registration in which Registrable Securities are proposed to be included pursuant to this Article II that involves an underwritten offering shall advise BGC Partners that in its reasonable opinion, the number of Registrable Securities to be sold is greater than the amount that can be offered without adversely affecting the success of the offering (taking into consideration the interests of BGC Partners and the Holders), then BGC Partners will be entitled to reduce the number of Registrable Securities included in such registration to the number that, in the opinion of the managing underwriter(s), can be sold without having the adverse effect referred to above. The number of Registrable Securities that may be registered shall be allocated in the following priority: *first*, pro rata among the Holders participating in the Demand Registration, based on the number of Registrable Securities included by such Holder in the Demand Request; *second*, all shares of BGC Partners Common Stock proposed to be registered for offer and sale by BGC Partners; and *third*, to shares of BGC Partners Common Stock proposed to be registered pursuant to any piggy-back registration rights of third parties. As promptly as practicable thereafter, but subject to Section 2.3 hereof, BGC Partners shall use its reasonable best efforts to file with the SEC a Registration Statement, registering all Registrable Securities that any Holders have requested to register, for disposition in accordance with the intended method or methods set forth in their notices to BGC Partners. BGC Partners shall use its reasonable best efforts to cause such Registration Statement to be declared effective as soon as practicable after filing and to remain effective until the earlier of (i) 90 days following the date on which it was declared effective and (ii) the date on which all of the Registrable Securities covered thereby are disposed of in accordance with the method or methods of disposition stated therein. Each Demand Request shall be irrevocable except as otherwise expressly provided herein (including Section 2.4).

Notwithstanding anything to the contrary in this Article II, no Holder shall have the right to require BGC Partners to register any Registrable Securities pursuant to this Article II during any period (not to exceed 180 days) following the closing of the completion of a distribution of securities offered by BGC Partners that would cause BGC Partners to breach a lock-up provision contained in the underwriting agreement for such distribution.

Section 2.2 *Number and Timing of Registrations*. Notwithstanding anything in this Article II to the contrary: (a) the Holders shall be entitled to make no more than four Demand Registrations hereunder (and no more than one Demand Registration during any twelve-month period), and (b) BGC Partners shall not be obligated to make a Demand Registration in the event that a Piggy-back Registration had been available to any Holder within the 180 days preceding the date of the Demand Request.

Section 2.3 *Suspension of Registration*. Notwithstanding the foregoing, if in the good faith judgment of the Board of Directors of BGC Partners it would be materially detrimental to BGC Partners and its stockholders for any Registration Statement to be filed or for any Registration Statement or Prospectus to be amended or supplemented because such filing, amendment or supplement would (i) require disclosure of material non-public information, the disclosure of which would be reasonably likely to materially and adversely affect BGC Partners and its subsidiaries (if any) taken as a whole, or (ii) materially interfere with any existing or prospective business situation, transaction or negotiation involving BGC Partners, BGC Partners shall have the right to suspend the use of the applicable Registration Statement or delay delivery or filing, but not the preparation, of the applicable Registration Statement or Prospectus or any document incorporated therein by reference, in each case for a reasonable period of time; *provided*, *however*, that BGC Partners shall not be able to exercise such suspension right more than twice in each 12-month period aggregating not more than 150 days in such 12-month period. In the event that the ability of the Holders to sell shall be suspended for any reason, the period of such suspension shall not count towards compliance with the 90-day period referred to under clause (i), of Section 2.1 of this Agreement.

Section 2.4 *Interrupted Registration*. A registration requested pursuant to this Article II shall not be deemed to have been requested by the Holders of Registrable Securities for purposes of Section 2.2: (i) unless it has been declared effective by the SEC; (ii) if after it has become effective, such registration is interfered with by any stop order, injunction or other order or requirement of the SEC for any reason other than misrepresentation or an

Table of Contents

omission by the requesting Holders such that the Registration Statement shall not be effective until the earlier of (A) 60 days following the date on which it was declared effective (treating any suspension or interruption of registration as provided in Section 2.3) and (B) the date on which all of the Registrable Securities covered thereby are disposed of in accordance with the method or methods of disposition stated therein; (iii) if the conditions to closing specified in the underwriting agreement, if any, entered into in connection with such registration are not satisfied other than by reason of some wrongful act or omission, or act or omission in bad faith, by such Holders and are not otherwise waived; or (iv) if such request has been withdrawn by the requesting Holders and such Holders shall have elected to pay all Registration Expenses of BGC Partners in connection with such withdrawn request.

ARTICLE III

PIGGY-BACK REGISTRATIONS

Section 3.1 *Right to Include Registrable Securities*. If at any time following the Merger Effective Time, BGC Partners proposes to register (including for this purpose a registration effected by BGC Partners for security holders of BGC Partners other than any Holder) any Registrable Securities and to file a Registration Statement with respect thereto under the Securities Act, whether or not for sale for its own account (other than pursuant to (i) Section 2.1, (ii) a registration statement on Form S-4, Form S-8 or any successor or similar forms, or (iii) a registration statement for the sales of Registrable Securities issuable or issued upon exchange, conversion or sale of any Holdings Exchangeable Limited Partnership Interests held by any member of the Cantor Group), in a manner that would permit registration of Registrable Securities for sale to the public under the Securities Act (a *Public Offering*), BGC Partners will each such time promptly give written notice to the Holders (i) of its intention to do so, (ii) of the form of registration statement of the SEC that has been selected by BGC Partners and (iii) of rights of Holders under this Article III (the *Article III Notice*). BGC Partners will include in the case of a proposed Public Offering all Registrable Securities that BGC Partners is requested in writing, within 15 days after the Article III Notice is given, to register by the Holders thereof (each, a *Piggy-back Registration*); *provided*, *however*, that (x) if, at any time after giving written notice of its intention to register any Registrable Securities and prior to the effective date of the Registration Statement filed in connection with such registration, BGC Partners shall determine that none of such Registrable Shares shall be registered, BGC Partners may, at its election, give written notice of such determination to all Holders who so requested registration and, thereupon, shall be relieved of its obligation to register any Registrable Securities in connection with such abandoned registration, without prejudice, however, to the rights of Holders under Article II hereof, and (y) in case of a determination by BGC Partners to delay registration of the Registrable Securities, BGC Partners shall be permitted to delay the registration of such Registrable Securities pursuant to this Article III for the same period as the delay in registering such other Registrable Securitas by BGC Partners, as the case may be or may abandon the registration of Registrable Securities, in the sole discretion of BGC Partners. No registration effected under this Article III shall relieve BGC Partners of its obligations to effect registrations upon request under Article II.

Section 3.2 *Priority; Registration Form*. If the managing underwriter(s) for a registration in which Registrable Securities are proposed to be included pursuant to this Article III that involves an underwritten offering shall advise BGC Partners in good faith that in its opinion, the number of shares of BGC Partners Common Stock to be sold for the account of persons other than BGC Partners (collectively, *Selling Stockholders* is greater than the amount that can be offered without adversely affecting the success of the offering (taking into consideration the interests of BGC Partners and the Holders), then the number of shares of BGC Partners Common Stock to be sold for the account of Selling Stockholders (including Holders of Registrable Securities) may be reduced to a number that, in the reasonable opinion of the managing underwriter(s), may reasonably be sold without having the adverse effect referred to above. The reduced number of shares of BGC Partners Common Stock that may be registered shall be allocated in the case of a Public Offering, in the following priority: *first*, to shares of BGC Partners Common Stock proposed to be registered for offer and sale by BGC Partners; *second*, to shares of BGC Partners Common Stock proposed to be registered

Table of Contents

pursuant to any demand registration rights of third parties; and, *third*, to Registrable Securities proposed to be registered by Holders as a Piggy-back Registration. The reduced number of Registrable Securities that may be registered pursuant to this Section 3.2 shall be allocated pro rata among the Holders participating in the Piggy-back Registration, based on the number of Registrable Securities beneficially owned by the respective Holders. If, as a result of the proration provisions of this Section 3.2, any Holder shall not be entitled to include all Registrable Securities in a registration pursuant to this Article III that such Holder has requested be included, such Holder may elect to withdraw its Registrable Securities from the registration.

ARTICLE IV

REGISTRATION PROCEDURES

Section 4.1 *Use Reasonable Best Efforts*. In connection with BGC Partners registration obligations pursuant to Article II and Article III hereof, BGC Partners shall use its reasonable best efforts to effect such registrations to permit the sale of such Registrable Securities in accordance with the intended method or methods of disposition thereof and pursuant thereto BGC Partners shall as expeditiously as reasonably practicable:

(a) prepare and file with the SEC a Registration Statement or Registration Statements relating to the registration on any appropriate form under the Securities Act, and to cause such Registration Statement to become effective as soon as reasonably practicable and to remain continuously effective for the time period required by this Agreement to the extent permitted under the Securities Act;

(b) prepare and file with the SEC such amendments and post-effective amendments to each Registration Statement as may be necessary to keep such Registration Statement effective for the applicable period set forth in Section 2.1; and to cause the Registration Statement and the related Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed in accordance with the Securities Act and any rules and regulations promulgated thereunder; and otherwise to comply with the provisions of the Securities Act as may be necessary to facilitate the disposition of all Registrable Securities covered by such Registration Statement during the applicable period in accordance with the intended method or methods of disposition by the selling Holders thereof set forth in such Registration Statement or such Prospectus or Prospectus supplement;

(c) notify the selling Holders and the managing underwriter(s), if any, promptly if at any time (i) any Prospectus, Registration Statement or amendment or supplement thereto is filed, (ii) any Registration Statement, or any post-effective amendment thereto, becomes effective, (iii) the SEC or any other federal or state governmental authority requests any amendment or supplement to, or any additional information in respect of, any Registration Statement or Prospectus, (iv) the SEC or any other federal or state governmental authority issues any stop order suspending the effectiveness of a Registration Statement or initiates any proceedings for that purpose, (v) BGC Partners receives any notice that the qualification of any Registrable Securities for sale in any jurisdiction has been suspended or that any proceeding has been initiated for the purpose of suspending such qualification (vi) upon the discovery of any event which requires that any changes be made in such Registration Statement or any related Prospectus so that such Registration Statement or Prospectus will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, in light of the circumstances under which they were made; *provided*, *however*, that in the case of this subclause (vi), such notice need only state that an event of such nature has occurred, without describing such event, or (vii) of the determination by counsel of BGC Partners that a post-effective amendment to a Restriction Statement is advisable. BGC Partners hereby agrees to promptly reimburse any selling Holders for any reasonable out-of-pocket losses and expenses incurred in connection with any uncompleted sale of any Registrable Securities in the event that BGC Partners fails to timely notify such Holder that the Registration Statement then on file with the SEC is no longer effective;

Table of Contents

(d) to make every reasonable effort to obtain the withdrawal of any order suspending the effectiveness of a Registration Statement, or the qualification of any Registrable Securities for sale in any jurisdiction, at the earliest reasonably practicable moment;

(e) if requested by the managing underwriter(s) or any Holder of Registrable Securities being sold in connection with an underwritten offering, to incorporate into a Prospectus supplement or a post-effective amendment to the Registration Statement any information which the managing underwriter(s), such Holder and BGC Partners reasonably agree is required to be included therein relating to such sale of Registrable Securities; and to file such supplement or post-effective amendment as soon as practicable in accordance with the Securities Act and the rules and regulations promulgated thereunder;

(f) to furnish to each selling Holder and each managing underwriter, if any, one signed copy of the Registration Statement or Registration Statements, any Company Free Writing Prospectus, and any post-effective amendment thereto, including all financial statements and schedules thereto, all documents incorporated therein by reference and all exhibits thereto (including exhibits incorporated by reference) as promptly as practicable after filing such documents with the SEC;

(g) to deliver to each selling Holder and each underwriter, if any, as many copies of the Prospectus or Prospectuses (including each preliminary Prospectus) and any amendment, supplement or exhibit thereto as such Persons may reasonably request; and to consent to the use of such Prospectus or any amendment, supplement or exhibit thereto by each such selling Holder and underwriter, if any, in connection with the offering and sale of the Registrable Securities covered by such Prospectus, amendment, supplement or exhibit in each case in accordance with the intended method or methods of disposition thereof;

(h) prior to any public offering of Registrable Securities, to register or qualify, or to cooperate with the selling Holders, the underwriter(s), if any, and their respective counsel in connection with the registration or qualification of, such Registrable Securities for offer and sale under the securities or blue sky laws of such jurisdictions as may be requested by the Holders of a majority of the Registrable Securities included in such Registration Statement; to keep each such registration or qualification effective during the period set forth in Section 2.1 that the applicable Registration Statement is required to be kept effective; and to do any and all other acts or things necessary to enable the disposition in such jurisdictions of the Registrable Securities covered by such Registration Statement; *provided*, *however*, that BGC Partners will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process in any jurisdiction where it is not then so subject;

(i) to furnish to counsel selected by the Holders, prior to the filing of a Registration Statement or Prospectus or any supplement or post-effective amendment or any Company Free Writing Prospectus thereto with the SEC, copies of such documents and with a reasonable and appropriate opportunity to review and comment on such documents, subject to such documents being under BGC Partner s control;

(j) to cooperate with the selling Holders and the underwriter(s), if any, in the preparation and delivery of certificates representing the Registrable Securities to be sold, such certificates to be in such denominations and registered in such names as such selling Holders or managing underwriter(s) may request at least five (5) Business Days prior to any sale of Registrable Securities represented by such certificates;

(k) subject to Section 4.3 hereof, upon the occurrence of any event described in clause (vi) of Section 4.1(c) above, to promptly prepare and file a supplement or post-effective amendment to the applicable Registration Statement or Prospectus or any document incorporated therein by reference, and any other required documents, so that such Registration Statement and Prospectus will not thereafter contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, in light of the circumstances under which they were made, and to cause such supplement or post-effective amendment to become effective as soon as practicable;

Table of Contents

(l) to take all other actions in connection therewith as are reasonably necessary or desirable in order to expedite or facilitate the disposition of the Registrable Securities included in such Registration Statement and, in the case of an underwritten offering: (i) to enter into an underwriting agreement in customary form with the managing underwriter(s) (such agreement to contain standard and customary indemnities, representations, warranties and other agreements of or from BGC Partners, as the case may be); (ii) to obtain opinions of counsel to BGC Partners (which (if reasonably acceptable to the underwriter(s)) may be BGC Partners inside counsel) addressed to the underwriter(s), such opinions to be in customary form; and (iii) to obtain comfort letters from the Issuer s or BGC Partners independent certified public accountants addressed to the underwriter(s), such letters to be in customary form;

(m) with respect to each BGC Partners Free Writing Prospectus or other materials to be included in the Disclosure Package, ensure that no Registrable Securities be sold by means of (as defined in Rule 159A(b) promulgated under the Securities Act) such BGC Partners Free Writing Prospectus or other materials without Cantor having first been provided with a reasonable opportunity to review and comment on such documents;

(n) within the deadlines specified by the Securities Act, make all required filings of all Prospectuses and BGC Partners Free Writing Prospectuses with the SEC;

(o) to make available for inspection by any selling Holder of Registrable Securities, any underwriter(s) participating in any disposition pursuant to such Registration Statement, and any attorney, accountant or other agent retained by any such selling Holder or underwriter(s) all reasonably requested financial and other records, pertinent corporate documents and properties of BGC Partners and to cause BGC Partners officers, directors, employees, attorneys and independent accountants to supply all information reasonably requested by any such selling Holders, underwriter(s), attorneys, accountants or agents in connection with such Registration Statement (Each selling Holder of Registrable Securities agrees, on its own behalf and on behalf of all its underwriter(s), accountants, attorneys and agents, that the information obtained by it as a result of such inspections shall be kept confidential by it and, except as required by law, not disclosed by it, in each case unless and until such information is made generally available to the public other than by such selling Holder; and each selling Holder of Registrable Securities further agrees, on its own behalf and on behalf of all its underwriter(s), accountants, attorneys and agents, that it will, upon learning that disclosure of such information is sought in a court of competent jurisdiction, promptly give notice to BGC Partners and allow BGC Partners at its expense, to undertake appropriate action to prevent disclosure of the information deemed confidential);

(p) to consider in good faith any reasonable request of the selling Holders and underwriters for the participation of management of BGC Partners in road shows and similar sales events; and

(q) reasonably cooperate with the selling Holders and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel, in connection with any filings required to be made by the National Association of Securities Dealers.

Section 4.2 *Holders Obligation to Furnish Information*. BGC Partners may require each Holder of Registrable Securities as to which any registration is being effected to furnish to BGC Partners such information regarding the distribution of such Registrable Securities as BGC Partners may from time to time reasonably request in writing.

Section 4.3 *Suspension of Sales Pending Amendment of Prospectus*. Each Holder shall, upon receipt of any notice from BGC Partners of the happening of any event of the kind described in clauses (iii)-(vi) of Section 4.1(c) above, suspend the disposition of any Registrable Securities covered by such Registration Statement or Prospectus until such Holder s receipt of the copies of a supplemented or amended Prospectus or until it is advised in writing by BGC Partners that the use of the applicable Prospectus may be resumed, and, if so directed by BGC Partners such Holder will deliver to BGC Partners all copies, other than permanent file copies, then in such Holder s possession of any Prospectus covering such Registrable Securities. If BGC Partners shall have given any such notice during a period when a Demand Registration is in effect, the 90-day period described in Section 2.1 shall be extended by the number of days of such suspension period.

Table of Contents

ARTICLE V

REGISTRATION EXPENSES

Section 5.1 *Registration Expenses*. Except as otherwise expressly provided herein to the contrary, all reasonable and documented expenses incident to BGC Partners performance of or compliance with its obligations under this Agreement, including without limitation all (i) registration and filing fees, (ii) fees and expenses of compliance with securities or blue sky laws, (iii) printing expenses, (iv) fees and disbursements of its counsel and its independent certified public accountants (including the expenses of any special audit or comfort letters required by or incident to such performance or compliance), (v) securities acts liability insurance (if BGC Partners elects to obtain such insurance) and (vi) the expenses and fees for listing securities to be registered on each securities exchange on which Securities are then listed, shall be borne by BGC Partners otherwise (all such expenses being herein referred to as *Registration Expenses*); *provided*, *however*, that Registration Expenses shall not include any underwriting discounts, or commissions or transfer taxes, which underwriting discounts, commissions and transfer taxes shall in all cases be borne solely by the Holders.

ARTICLE VI

INDEMNIFICATION

Section 6.1 *Indemnification by BGC Partners*. In the event of any registration of any securities of BGC Partners under the Securities Act pursuant to Article II or Article III hereof, BGC Partners will, and hereby does, indemnify and hold harmless each selling Holder of any Registrable Securities covered by such Registration Statement, its directors, officers and agents and each other Person, if any, who controls such selling Holder within the meaning of Section 15 of the Securities Act (each such selling Holder and such other Persons, collectively, *Holder Covered Persons*), against any and all out-of-pocket losses, claims, damages, liabilities and expenses (including reasonable attorneys fees and expenses) actually incurred by such Holder Covered Person under the Securities Act, common law or otherwise (collectively, *Damages*), to the extent that such Damages (or actions or proceedings in respect thereof) arise out of or result from (i) any untrue statement or alleged untrue statement of a material fact contained in the Disclosure Package, any Registration Statement, the Prospectus, or in any amendment or supplement thereto, under which such securities were registered under the Securities Act or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in any preliminary Prospectus, together with the documents incorporated by reference therein (as amended or supplemented if BGC Partners shall have filed with the SEC any amendment thereof or supplement thereto), if used prior to the effective date of such Registration Statement, or contained in the Prospectus, together with the documents incorporated by reference therein (as amended or supplemented if BGC Partners shall have filed with the SEC any amendment thereof or supplement thereto), or the omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided*, *however*, that BGC Partners shall not be liable to any Holder Covered Person in any such case to the extent that any such Damage (or action or proceeding in respect thereof) arises out of or relates to any untrue statement or alleged untrue statement or omission or alleged omission made in such Registration Statement or amendment thereof or supplement thereto or in any such preliminary, final or summary Prospectus in reliance upon and in conformity with written information furnished to BGC Partners by or on behalf of any such Holder Covered Person for use in the preparation thereof.

Section 6.2 *Indemnification by the Selling Holders*. In consideration of BGC Partners including any Registrable Securities in any Registration Statement filed in accordance with Article II or Article III hereof, Cantor and each other Holder selling Registrable Securities under such Registration Statement shall be deemed to have agreed to indemnify and hold harmless, jointly and severally (in the same manner and to the same extent as

Table of Contents

set forth in Section 6.1 hereof) BGC Partners, its directors, officers, managing directors and agents and each Person controlling BGC Partners within the meaning of Section 15 of the Securities Act (each, an *BGC Partners Person*) against any and all Damages, to the extent that such Damages (or actions or proceedings in respect thereof) arise out of or are related to any statement or alleged statement in or omission or alleged omission from the Disclosure Package, such Registration Statement, any preliminary, final or summary Prospectus contained therein, the Cantor Free Writing Prospectus or any amendment or supplement thereto, if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to BGC Partners or its representatives by or on behalf of Cantor or any selling Holder for use in the preparation of such Disclosure Package document, such Registration Statement, such preliminary, final or summary Prospectus, such Cantor Free Writing Prospectus or amendment or supplement thereto. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of BGC Partners or any of its directors, officers or controlling Persons. BGC Partners may require as a condition to its including Registrable Securities in any Registration Statement filed hereunder that Cantor and each such selling Holder acknowledge its agreement to be bound by the provisions of this Agreement (including Article VI) applicable to it.

Section 6.3 *Notices of Claims*. Promptly after receipt by a Holder Covered Person or an BGC Partners Covered Person (each, an *Indemnified Party*) of written notice of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Article VI, such Indemnified Party will, if a claim in respect thereof is to be made against, respectively, BGC Partners, on the one hand, or Cantor or any selling Holder, on the other hand (such Person or Persons, the *Indemnifying Party*), give written notice to the latter of the commencement of such action; *provided*, *however*, that the failure of any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its or their obligations under this Article VI, except to the extent that the Indemnifying Party is actually materially prejudiced by such failure to give notice, and in no event shall such failure relieve the Indemnifying Party from any other liability which it may have to such Indemnified Party. If any such claim or action shall be brought against an Indemnified Party, and it shall notify the Indemnifying Party thereof, the Indemnifying Party shall be entitled to participate therein, and, to the extent that it wishes, to assume the defense thereof with counsel reasonably satisfactory to the Indemnified Party, and after notice from the Indemnifying Party to such Indemnified Party of its election to assume the defense thereof, the Indemnifying Party shall not be liable to such Indemnified Party under this Article VI for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof, other than reasonable cost of investigation; *provided*, *further*, that if, in the Indemnified Party s reasonable judgment, a conflict of interest between the Indemnified Party and the Indemnifying Party exists in respect of such claim, then such Indemnified Party shall have the right to participate in the defense of such claim and to employ one firm of attorneys at the Indemnifying Party s expense to represent such Indemnified Party. No Indemnified Party will consent to entry of any judgment or enter into any settlement without the Indemnifying Party s written consent to such judgment or settlement, which shall not be unreasonably withheld. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, consent to entry of any judgment or enter into any settlement in respect of which the Indemnified Party is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all liability arising out of such claim or proceeding.

Section 6.4 *Contribution*. If the indemnification provided for in this Article VI is unavailable or insufficient to hold harmless an Indemnified Party under this Article VI, then each Indemnifying Party shall have a joint and several obligation to contribute to the amount paid or payable by such Indemnified Party as a result of the Damages referred to in this Article VI in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party on the one hand and the Indemnified Party on the other hand in connection with the offering which resulted in such Damages, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to, among other things, whether an untrue or alleged untrue statement of a material fact or an omission or alleged omission to state a material fact relates to information supplied by the Indemnifying Party or the Indemnified Party and the parties relative intent, knowledge, access to information and opportunity

Table of Contents

to correct or prevent such untrue statements or omission. BGC Partners and the Holders (in consideration of BGC Partners including any Registrable Securities in any Registration Statement filed in accordance with Article II or Article III hereof) shall be deemed to have agreed, that it would not be just and equitable if contributions pursuant to this Section 6.4 were to be determined by pro rata allocation or by any other method or allocation which does not take account of the equitable considerations referred to in the first sentence of this Section 6.4. The amount paid by an Indemnified Party as a result of the Damages referred to in the first sentence of this Section 6.4 shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any action or claim (which shall be limited as provided in Section 6.3 if the Indemnifying Party has assumed the defense of any such action accordance with the provisions thereof) which is the subject of this Section 6.4. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation. Promptly after receipt by an Indemnified Party under this Section 6.4 of notice of the commencement of any action against such party in respect of which a claim for contribution has been made against an Indemnifying Party under this Section 6.4, such Indemnified Party shall notify the Indemnifying Party in writing of the commencement thereof if the notice specified in Section 6.3 has not been given with respect to such action; *provided*, *however*, that the omission so to notify the Indemnifying Party shall not relieve the Indemnifying Party from any liability which it may have to any Indemnified Party otherwise under this Section 6.4, except to the extent that the Indemnifying Party is actually materially prejudiced by such failure to give notice, and in no event shall such failure relieve the Indemnifying Party from any other liability which it may have to such Indemnified Party.

ARTICLE VII

RULE 144

Section 7.1 *Rule 144*. BGC Partners shall file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations promulgated thereunder, so long as it is subject to such reporting requirements, all to the extent required from time to time to enable the Holders to sell Registrable Securities without registration under the Securities Act within the limits of the exemptions provided by Rule 144 of the Securities Act (*Rule 144*). Upon the request of Cantor, BGC Partners shall deliver to such Holder a written statement stating whether it has complied with such requirements, and will take such further action as Cantor may reasonably request, all to the extent required from time to time to enable Cantor to sell Registrable Securities without registration under the Securities Act within the limitation of the exceptions provided by Rule 144.

ARTICLE VIII

UNDERWRITTEN REGISTRATIONS

Section 8.1 *Selection of Underwriter(s)*. In each registration under Article II or Article III of this Agreement, the underwriter or underwriters and managing underwriter or managing underwriters that will administer the offering shall be selected by BGC Partners, as the case may be, *provided*, *however*, that in the case of a registration under Article II of this Agreement, such underwriter(s) and managing underwriter(s) shall be subject to the approval of the Holders of a majority in aggregate amount of Registrable Securities included in such offering, which approval shall not be unreasonably withheld or delayed.

Section 8.2 *Agreements of Selling Holders*. No Holder shall sell any of its Registrable Securities in any underwritten offering pursuant to a registration hereunder unless such Holder (i) agrees to sell such Registrable Securities on a basis provided in any underwriting agreement in customary form, including the making of customary representations, warranties and indemnities and (ii) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements and other documents required under the terms of such underwriting agreements or as reasonably requested by BGC Partners (whether or not such offering is underwritten).

Table of Contents

ARTICLE IX

HOLDBACK AGREEMENTS

Section 9.1 *Restrictions on Public Sales by Holders*. To the extent not inconsistent with applicable law, each Holder that is timely notified in writing by the managing underwriter(s) or underwriter(s) shall not effect any public sale or distribution (including a sale pursuant to Rule 144) of any securities of the same class or issue being registered in an underwritten offering (other than pursuant to an employee stock option, stock purchase, stock bonus or similar plan, pursuant to a merger, an exchange offer or a transaction of the type specified in Rule 145(a) under the Securities Act) or any securities of BGC Partners convertible into or exchangeable or exercisable for securities of the same class or issue, during the 7-day period prior to the effective date of the applicable Registration Statement, if such date is known, or during the period beginning on such effective date and ending either (i) 60 days after such effective date or (ii) any such earlier date as may be requested by the managing underwriter(s) or underwriter(s) of such registration, except as part of such registration.

ARTICLE X

REPRESENTATIONS AND WARRANTIES

Section 10.1 *Representations and Warranties of the Parties*. BGC Partners hereby represents and warrants to Cantor, and Cantor hereby represents and warrants to BGC Partners, as follows:

(a) The execution, delivery and performance by the representing party of this Agreement and the consummation by the representing party of the transactions contemplated by this Agreement are within its corporate powers and have been duly authorized by all necessary corporate action on its part. This Agreement constitutes a legal, valid and binding agreement of the representing party enforceable against it in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar laws of general applicability relating to or affecting creditor s rights and to general equity principles (it being understood that such exception shall not in itself be construed to mean that the Agreement is not enforceable in accordance with its terms).

(b) The execution, delivery or performance of this Agreement by the representing party and the consummation by it of the transactions contemplated hereby do not and will not contravene or conflict with the representing party s certificate of incorporation, bylaws or similar governing documents or conflict with, result in a breach or constitute a default under any statute, loan agreement, mortgage, indenture, deed or other agreement to which it is a party or to which any of its properties is subject, except in each case as would not reasonably be expected to have a material adverse effect on such representing party.

ARTICLE XI

EFFECTIVENESS AND TERMINATION

Section 11.1 *Effectiveness*. This Agreement shall take effect on the date hereof and shall remain in effect until it is terminated pursuant to Section 11.2 hereof.

Section 11.2 *Termination*. Other than the termination provisions applicable to particular Sections of this Agreement that are specifically provided elsewhere in this Agreement, this Agreement shall terminate upon the earliest to occur of the following (a) the mutual written agreement of the parties hereto at any time to terminate this Agreement, and (b) the date on which no Registrable Securities shall remain outstanding.

Table of Contents

ARTICLE XII

MISCELLANEOUS

Section 12.1 *Interpretation*. Article, Section, paragraph or clause references not attributed to a particular document shall be reference to such parts of this Agreement, and all exhibit, annex and schedule references not attributed to a particular document shall be references to such exhibits, annexes and schedules to this Agreement. All references to instruments, documents, contracts, and agreements are references to such instruments, documents, contracts, and agreements as the same may be amended, supplemented, and otherwise modified from time to time. The word *or* is not exclusive unless the context clearly requires otherwise. The words *including*, *includes*, *included* and *include* are deemed to be followed by the words *without limitation*. Definitions in this Agreement apply equally to both the singular and plural forms of the defined terms. References to the masculine gender include the feminine gender. The section, paragraph, clause and article headings contained in this Agreement are inserted for convenience of reference only and will not affect the meaning or interpretation of this Agreement. The terms *herein*, *hereof* and *hereunder* and other words of similar import refer to this Agreement as a whole and not to any particular article, section, paragraph or subdivision.

Section 12.2 *Amendments and Waivers*. This Agreement may be amended, and waivers or consents to departures from the provisions hereof may be given, only by a written instrument duly executed, in the case of an amendment, by all of the parties hereto, or in the case of a waiver or consent, by the party against whom the waiver or consent, as the case may be, is to be effective.

Section 12.3 *Successors and Assigns*. This Agreement shall be binding upon and shall inure to the benefit of BGC Partners and the Holders and their respective successors, assigns and transferees; *provided* that this Agreement or any rights or obligations hereunder may not be assigned or transferred without the written consent of the other party hereto.

Section 12.4 *Integration*. This Agreement and the documents referred to herein or delivered pursuant hereto that form a part hereof contain the entire understanding of BGC Partners and Cantor with respect to its subject matter. There are no restrictions, agreements, promises, representations, warranties, covenants or undertakings with respect to the subject matter hereof other than those expressly set forth herein. This Agreement supersedes all prior agreements and understandings between BGC Partners and the Holders with respect to its subject matter.

Section 12.5 *Notices*. All notices and other communications to be given to any Party hereunder shall be sufficiently given for all purposes hereunder if in writing and delivered by hand, courier or overnight delivery service or three days after being mailed by certified or registered mail, return receipt requested, with appropriate postage prepaid, or when received in the form of a telegram or facsimile and shall be directed to the address set forth below (or at such other address or facsimile number as such Party shall designate by like notice):

If to Cantor:

Cantor Fitzgerald, L.P.

110 East 59th Street

New York, New York 10022

Attention: General Counsel
Fax No: (212) 829-4708

With a copy to:

Wachtell, Lipton, Rosen & Katz

51 West 52nd Street

New York, New York 10019

Attention: Craig M. Wasserman, Esq.
Gavin D. Solotar, Esq.
Fax No: (212) 403-2000

Table of Contents

If to BGC Partners:

BGC Partners, LLC

199 Water Street

New York, New York 10038

Attention: General Counsel
Fax No: (212) 829-4708

With a copy to:

Debevoise & Plimpton LLP

919 Third Avenue

New York, New York 10022

Attention: William D. Regner, Esq.
Fax No: (212) 909-6836

All such notices, demands and other communications shall be deemed to have been duly given when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial courier service; five (5) Business Days after being deposited in the mail, postage prepaid, if mailed; and when receipt is mechanically acknowledged, if telecopied. Any Party may by notice given in accordance with this Section 8.05 designate another address or Person for receipt of notices hereunder.

Section 12.6 *Survival*. The representations and warranties made herein shall survive through the term of this Agreement

Section 12.7 *Severability*. In the event that any one or more of the provisions hereof is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision, in every other respect and of the remaining provisions hereof shall not be in any way impaired, it being intended that all rights, powers and privileges of BGC Partners and Cantor shall be enforceable to the fullest extent permitted by law.

Section 12.8 *Entire Agreement*. This Agreement constitutes the entire agreement of the parties hereto and supersede all prior agreements and undertakings, both written and oral, among the parties hereto, or any of them, with respect to the subject matter hereof.

Section 12.9 *No Third-Party Beneficiaries*. This Agreement is for the sole benefit of the parties hereto and their permitted assigns, and nothing herein expressed or implied shall give or be construed to give to any Person, other than the parties hereto and such assigns, any legal or equitable rights hereunder.

Section 12.10 *Governing Law*. THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICT OF LAWS PRINCIPLES THEREOF. Each of BGC Partners and Cantor agrees that all actions or proceedings arising out of or in connection with this Agreement, or for recognition and enforcement of any judgment arising out of or in connection with this Agreement, shall be tried and determined exclusively in the state or federal courts in the State of New York, and each of BGC Partners and Cantor hereby irrevocably submits with regard to any such action or proceeding for itself and with respect to its property, generally and unconditionally, to the exclusive jurisdiction of the aforesaid courts. Each of BGC Partners and Cantor hereby expressly waives any right it may have to assert, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any such action or proceeding: (a) any claim that it is not subject to personal jurisdiction in the aforesaid courts for any reason; (b) that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts; and (c) that (i) any of the aforesaid courts is an inconvenient or inappropriate forum for such action or proceeding, (ii) venue is not proper in any of the aforesaid courts, and (iii) this Agreement, or the subject matter hereof, may not be enforced in or by any of the aforesaid courts.

Section 12.11 *Counterparts*. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Table of Contents

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date set forth above.

BGC PARTNERS, LLC

By:
Name:
Title:

CANTOR FITZGERALD, L.P.

By:
Name:
Title:

[Signature Page to Registration Rights Agreement, dated as of [•], 2008,

by and between BGC Partners, LLC and Cantor Fitzgerald]

Table of Contents

Annex G

FORM OF

ADMINISTRATIVE SERVICES AGREEMENT

This ADMINISTRATIVE SERVICES AGREEMENT is made and entered into as of , 2008, among CANTOR FITZGERALD, L.P., a Delaware limited partnership (*CFLP*), on behalf of itself and its direct and indirect, current and future, subsidiaries and affiliates, other than BGC Partners, Inc. and its direct and indirect, current and future subsidiaries and eSpeed, Inc. and its direct and indirect, current and future subsidiaries (*Cantor*) and BGC Partners, Inc., a Delaware corporation (*BGCP*), on behalf of itself and its direct and indirect, current and future, subsidiaries (*BGC Partners*).

W I T N E S S E T H:

WHEREAS, Cantor has the resources and capacity to provide certain services, including office space, personnel and corporate services, such as cash management, internal audit, information technology, facilities management, promotional sales and marketing, legal, payroll, benefits administration and other administrative services and insurance services (collectively, *Administrative Services*);

WHEREAS, Cantor is willing to provide or arrange for the provision of Administrative Services to BGCP, all upon the terms and conditions set forth herein;

WHEREAS, in the absence of obtaining such services from Cantor, BGCP would require additional staff and would need to enhance its existing administrative infrastructure;

WHEREAS, BGCP may develop the resources and capacity to provide certain Administrative Services to Cantor, and is willing to provide or arrange for the provision of such services to Cantor, all upon the terms and conditions set forth herein; and

WHEREAS, each of the parties hereto acknowledges that greater efficiencies and reduced costs are expected to be achieved from the economies of scale associated with the provision of such services by Cantor to BGCP and by BGCP to Cantor in the manner provided herein during the term hereof;

NOW, THEREFORE, in consideration of the premises contained herein, it is agreed as follows:

1. *Term*.

(a) The term of this Agreement shall commence at the Closing (as such term is defined in the Separation Agreement (the *Separation Agreement*), dated as of the date hereof, by and among CFLP, BGCP, BGC Partners, L.P., BGC Global Holdings, L.P. and BGC Holdings, L.P.) and shall remain in effect for a three-year period (the *Initial Term*). Thereafter, this Agreement shall be renewed automatically for successive one-year terms (each, an *Extended Term*), unless any party shall give written notice to the other parties at least 120 days before the end of the Initial Term or the then current Extended Term, as the case may be, of its desire to terminate this Agreement, in which event this Agreement shall end with respect to the terminating party on the last day of the Initial Term or the then current Extended Term, as the case may be, *provided*, *however*, that in the event BGC Partners terminates this Agreement, Cantor shall be entitled to continued use of any hardware and equipment that it used prior to the date of this Agreement upon the terms and conditions set forth herein (including the payment terms in Section 5), and *provided*, *further*, that the Providing Party shall not be required to repair or replace any such hardware or equipment.

(b) This Agreement may be terminated by a party as provided herein or, as provided in Section 12, with respect to a particular service or group of services only, in which case it shall remain in full force and effect with

Table of Contents

respect to the other services described herein. The terminating party shall pay to the other party an amount equal to the costs incurred by the party providing services as a result of such termination, including, without limitation, any severance or cancellation fees. The Initial Term and the Extended Term are referred to herein as the Term .

2. *Services*.

(a) During the Term hereof and upon the terms and conditions set forth herein, Cantor shall provide to BGC Partners the following services as reasonably requested by BGC Partners from time to time: (i) administration and benefits services, (ii) employee benefits, human resources and payroll services, (iii) financial and operations services, (iv) internal auditing services, (v) legal related services, (vi) risk management services, (vii) accounting services, (viii) general tax services, (ix) communications facilities and services, including e-mail, (x) network and data center facilities, (xi) hardware and equipment, (xii) facilities management services, (xiii) promotional, sales and marketing services, (xiv) procuring of insurance coverage, (xv) office space and (xvi) such other miscellaneous services as the parties may reasonably agree, it being the intention of the parties that Cantor will continue to provide to BGC Partners all services provided by Cantor to BGC Partners prior to the Closing.

(b) During the Term hereof and upon the terms and conditions set forth herein, BGC Partners shall provide to Cantor the services set forth in Sections 2(a)(i) (xv) as Cantor may reasonably request from time to time, it being the intention of the parties that after the consummation of the transactions contemplated under the Merger Agreement, BGC Partners will continue to provide to Cantor all services provided by eSpeed, Inc. prior to that date.

(c) As used in this Agreement, the party providing any particular Administrative Services under this Section 2 is sometimes referred to as the *Providing Party* and the party receiving any particular Administrative Service is sometimes referred to as the *Receiving Party*.

(d) Each Providing Party shall use that degree of skill, care and diligence in the performance of services hereunder that (i) a reasonable Person would use acting in like circumstances in accordance with financial services industry standards and all applicable laws and regulations and (ii) is no less than that exercised by such Providing Party with respect to comparable services that it performs on its own behalf.

(e) The applicable Providing Party and Receiving Party shall cooperate with each other in all reasonable respects in matters relating to the provision and receipt of the Administrative Services. Such cooperation shall include obtaining all consents, licenses or approvals necessary to permit each party to perform its obligations hereunder.

3. *Intellectual Property*.

(a) Other than Intellectual Property (as such term is defined in the Separation Agreement) transferred to BGC Partners as of the Closing pursuant to the Separation Agreement, any Intellectual Property owned by Cantor or third-party licensors or service providers that may be operated or used by Cantor in connection with the provision of the Administrative Services hereunder will remain the property of Cantor or third-party licensors or service providers, and BGC Partners shall have no rights or interests therein, except as may otherwise be expressly provided herein, or in the Separation Agreement or the Agreement and Plan of Merger (the *Merger Agreement*), dated the date hereof, by and among, BGCP, CFLP, eSpeed, Inc., BGC Partners L.P., BGC Global Holdings, L.P. and BGC Holdings, L.P.

(b) Any Intellectual Property owned by BGC Partners or third-party licensors or service providers that may be operated or used by BGC Partners in connection with the provision of the Administrative Services hereunder will remain the property of BGC Partners or third-party licensors or service providers, and Cantor shall have no rights or interests therein, except as may otherwise be expressly provided herein or in the Separation Agreement or the Merger Agreement.

Table of Contents

4. *Authority*. Notwithstanding anything to the contrary contained in Section 2 hereof, the parties hereto acknowledge and agree that each party shall provide the services set forth in Section 2 of this Agreement subject to the ultimate authority of BGC Partners to control its own business and affairs. Each party acknowledges that the services provided hereunder by any Providing Party are intended to be administrative, technical and ministerial and are not intended to set policy for the Receiving Party.

5. *Charges for Services*.

(a) In consideration for providing the Administrative Services provided for in Section 2 hereof (other than insurance services and real estate), each Receiving Party shall pay to the Providing Party the actual costs of such services, determined as follows:

Each Providing Party shall charge the Receiving Party such Receiving Party s appropriate share of the aggregate cost actually incurred in connection with the provision of such services in an amount equal to (i) the direct cost that the Providing Party incurs in performing those services plus (ii) a reasonable allocation of other allocated costs, including, without limitation, depreciation and amortization determined in a consistent and fair manner so as to cover such Providing Party s appropriate costs or in such other manner the parties shall agree. The Providing Party shall not charge the Receiving Party any portion of any tax for which the Providing Party receives a rebate or credit, or to which the Providing Party is entitled to a rebate or credit.

(b) To the extent that Cantor provides insurance services hereunder, such insurance shall be invoiced to and paid by BGC Partners as follows:

The premiums for each of the insurance policies described in Section 2(a)(xii) shall be allocated to BGC Partners by Cantor and shall be determined by multiplying Cantor s total actual insurance premiums for each such coverage by a fraction, (i) in the case of general liability or business interruption insurance, the numerator of which is the aggregate consolidated net revenues (determined in accordance with Generally Accepted Accounting Principles of the United States of America) of BGC Partners and the denominator of which is the aggregate consolidated net revenues of Cantor plus any consolidated BGC Partners net revenues not included in Cantor s consolidated net revenues, excluding the revenues from any division or subsidiary which does not benefit from or which is not covered by the insurance to which these premiums relate, (ii) in the case of property and casualty insurance, the numerator of which is the number of employees of BGC Partners and the denominator of which is the number of employees of BGC Partners and Cantor s affiliates, and (iii) in the case of all others as mutually agreed to by BGC Partners and Cantor.

(c) To the extent that Cantor provides office space hereunder, such office space shall be invoiced to and paid by BGC Partners as follows:

So long as BGC Partners uses any portion of Cantor s offices (each, a *Cantor Office*), BGC Partners shall pay to Cantor on the first day of each calendar month with respect to each such Cantor Office an amount equal to the product of (x) the average rate per square foot then being paid by Cantor for such Cantor Office and (y) the number of square feet requested by BGC Partners and made available for use by BGC Partners. In addition, BGC Partners shall pay to Cantor on the first day of each calendar month an amount equal to the sum of the costs allocated under generally accepted accounting principles, including, without limitation, leasehold amortization expenses, depreciation, overhead, taxes and repairs in relation to such Cantor Office for the preceding month multiplied by a fraction, the numerator of which equals the number of square feet requested by BGC Partners and made available for use by BGC Partners and the denominator of which equals the total number of square feet leased by Cantor under the lease for the applicable Cantor Office.

Table of Contents

6. *Exculpation and Indemnity; Other Interests*.

(a) Cantor (including its partners, officers, directors and employees) shall not be liable to BGC Partners or the stockholders of BGCP for any acts or omissions taken or not taken in good faith on behalf of BGC Partners and in a manner reasonably believed by Cantor to be within the scope of the authority granted to it by this Agreement and in the best interests of BGC Partners, except for acts or omissions constituting fraud or willful misconduct in the performance of Cantor s duties under this Agreement. Notwithstanding the foregoing, Cantor shall be liable to BGC Partners for any losses incurred by BGC Partners in connection with the provision of Cantor s services hereunder to the extent Cantor is entitled to be reimbursed by an unaffiliated third party for any such liability. BGC Partners shall indemnify, defend and hold harmless Cantor (and its partners, officers, directors and employees) from and against any and all claims or liabilities of any nature whatsoever (including consequential damages and reasonable attorney s fees) arising out of or in connection with any claim against Cantor under or otherwise in respect of this Agreement, except where attributable to the fraud or willful misconduct of Cantor.

(b) BGC Partners (including its officers, directors and employees) shall not be liable to Cantor or the partners of Cantor for any acts or omissions taken or not taken in good faith on behalf of Cantor and in a manner reasonably believed by BGC Partners to be within the scope of the authority granted to it by this Agreement and in the best interests of Cantor, except for acts or omissions constituting fraud or willful misconduct in the performance of BGC Partners duties under this Agreement. Notwithstanding the foregoing, BGC Partners shall be liable to Cantor for any losses incurred by Cantor in connection with the provision of BGC Partners services hereunder at least to the extent BGC Partners is entitled to be reimbursed by an unaffiliated third party for any such liability. Cantor shall indemnify, defend and hold harmless BGC Partners (and its stockholders, officers, directors and employees) from and against any and all claims or liabilities of any nature whatsoever (including consequential damages and reasonable attorney s fees) arising out of or in connection with any claim against BGC Partners under or otherwise in respect of this Agreement, except where attributable to the fraud or willful misconduct of BGC Partners.

(c) Nothing in this agreement shall prevent Cantor and its affiliates from engaging in or possessing an interest in other business ventures of any nature or description, independently or with others, whether currently existing or hereafter created, and none of BGC Partners or any of their respective stockholders shall have any rights in or to such independent ventures or to the income or profits derived therefrom.

7. *Relationship of the Parties*.

(a) The relationship of each Providing Party and each Receiving Party shall be that of contracting parties, and no partnership, joint venture or other arrangement shall be deemed to be created hereby.

(b) Except as expressly provided herein, neither Cantor nor BGC Partners shall have any claim against the other or right of contribution by virtue of this Agreement with respect to any uninsured loss incurred by any of them nor shall any of them have a claim or right against the others by virtue of this Agreement with respect to any loss that is deemed to be included within the deductible, retention or self-insured portion of any insured risk.

8. *Audit*. Any party hereto may request a review, by those certified public accountants who examine Cantor s or BGC Partners books and records, of the other party s cost allocation to the requesting party to determine whether such allocation is proper under the procedures set forth herein. Such a review is to be conducted at the requesting party s expense unless such allocation is determined not to be proper, in which case such review shall be at the other party s expense.

9. *Documentation*. Each party s charges to the other for all services and benefits hereunder shall be substantiated by appropriate schedules, invoices or other documentation. During the term hereof, each Providing Party shall use commercially reasonable efforts to maintain records relating to the Administrative Services being

Table of Contents

provided in a manner similar to retention with respect to other administrative services previously provided by such Providing Party, including data relating to the determination of charges payable by the Receiving Party of such Administrative Service, and otherwise in accordance with the record management practices and with at least the same degree of care and completeness as applicable to such Providing Party at such time.

10. *Actual Cost*. Any charges to the Receiving Party for services or benefits provided by Cantor or BGC Partners, as the case may be, or by third parties pursuant to Section 2 hereof shall be based upon rates not intended to provide a profit to Cantor or BGC Partners.

(a) Each Receiving Party shall pay to the relevant Providing Party the aggregate charge for services provided under this Agreement in arrears within 30 days after each calendar month. Amounts due by any one Receiving Party to any one Providing Party under the Agreement shall be set off against amounts due by the second party to the first under this or any other Agreement.

(b) Any value added or other turnover taxes required to be charged in respect of services provided by a party to another party shall be charged in addition to any charges otherwise due hereunder, and shall be included in the relevant invoice.

11. *Invoicing and Billing*. Each party shall invoice the other for charges for services provided pursuant hereto on a monthly basis as incurred, such invoices to be delivered to the other within 15 days after the end of each calendar month. Such invoices may include third party charges incurred in providing services pursuant to Section 2 or, at the invoicing party s option, services provided by one or more third parties may be invoiced directly to the Receiving Party of those services. Each party shall pay to the other the aggregate charge for services provided under this Agreement in arrears within 30 days after the end of each calendar month. Amounts due by one party to another under this Agreement shall be netted against amounts due by the second party to the first under this or any other agreement.

12. *Services by Third Parties*. Either party may, without cause, procure any of the services or benefits specified in Section 2 hereof from a third party or may provide such services or benefits for itself. The Providing Party shall discontinue providing such services or benefits upon written notice by the discontinuing party, delivered at least 90 days before the requested termination date. The terminating party shall pay to the other party an amount equal to the costs incurred by the party providing services as a result of such termination, including, without limitation, any severance or cancellation fees.

13. *Failure to Perform the Administrative Services*. In the event of any breach of this Agreement by the Providing Party with respect to any error or defect in providing any Administrative Service, the Providing Party shall, at the Receiving Party s request, without the payment of any further fees by the Receiving Party, use its commercially reasonable best efforts to correct or cause to be corrected such error or defect or reperform or cause to be reperformed such Administrative Service, as promptly as practicable.

14. *Excused Performance*. Neither party warrants that any of the services or benefits herein agreed to be provided shall be free of interruption caused by Acts of God, strikes, lockouts, accidents, inability to obtain third-party cooperation or other causes beyond its control. No such interruption of services or benefits shall be deemed to constitute a breach of any kind whatsoever.

15. *Post-Termination of Payments*. Notwithstanding any provision herein to the contrary, all payment obligations hereof shall survive the happening of any event causing termination of this Agreement until all amounts due hereunder have been paid.

16. *Confidentiality*. Except as otherwise provided in this Agreement, (a) the Providing Party shall, and shall cause its affiliates (and their respective accountants, counsel, consultants, employees and agents to whom they disclose such information), to keep confidential all information in the possession of the Providing Party that in

Table of Contents

any way relates to the Receiving Party, and (b) the Receiving Party shall, and shall cause its affiliates (and their respective accountants, counsel, consultants, employees and agents to whom they disclose such information), to keep confidential all information in possession of the Receiving Party that relates to the Providing Party and is not information related to the Receiving Party or its assets. The provisions of this Section 16 do not apply to the disclosure by either party hereto or their respective affiliates of any information, documents or materials (i) which are, or become, publicly available, other than by reason of a breach of this Section 16 by the disclosing party or any affiliate of the disclosing party, (ii) received from a third party not bound by any confidentiality agreement with the other party hereto, (iii) required by applicable law to be disclosed by that party, or (iv) necessary to establish such party s rights under this Agreement or the Separation Agreement, provided that in the case of clauses (iii) and (iv), the person intending to make disclosure of confidential information will promptly notify the party to whom it is obligated to keep such information confidential and, to the extent practicable, provide such party a reasonable opportunity to prevent public disclosure of such information.

Upon the request of Receiving Party and upon termination of the relevant Administrative Service and/or this Agreement, each Providing Party shall provide the Receiving Party with any data or information generated with respect to the Administrative Services provided to the Receiving Party in a format usable by the Receiving Party. The Receiving Party shall pay the cost, if any, of converting such data or information into the appropriate format.

17. *Miscellaneous*.

(a) This Agreement and all the covenants herein contained shall be binding upon the parties hereto, their respective heirs, successors, legal representatives and assigns. No party shall have the right to assign all or any portion of its obligations or interests in this Agreement or any monies which may be due pursuant hereto without the prior written consent of the other parties.

(b) No waiver by any party hereto of any of its rights under this Agreement shall be effective unless in writing and signed by an officer of the party waiving such right. References to writing includes any method of reproducing words in a legible and non-transitory form. No waiver of any breach of this Agreement shall constitute a waiver of any subsequent breach, whether or not of the same nature. This Agreement may not be modified or amended except (i) by a writing signed by officers of each of the parties hereto and (ii) such modification or amendment is approved by a majority of the outside directors of the Board of Directors of BGCP. For purposes of this Agreement, an outside director shall mean a director who is not an employee, partner or affiliate (other than solely by reason of being a director of BGC Partners) of BGCP, Cantor or any of their respective affiliates.

(c) This Agreement constitutes the entire Agreement of the parties with respect to the services and benefits described herein, and cancels and supersedes any and all prior written or oral contracts or negotiations between the parties with respect to the subject matter hereof.

(d) This Agreement shall be strictly construed as independent from any other agreement or relationship between the parties.

(e) This Agreement is made pursuant to and shall be governed and construed in accordance with the laws of the State of New York, without regard to the principles of conflict of laws thereof.

(f) The descriptive headings of the several sections hereof are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

Table of Contents

(g) Any notice, request or other communication required or permitted in this Agreement shall be in writing and shall be sufficiently given if personally delivered or if sent by registered or certified mail, postage prepaid, addressed as follows:

(1) If to Cantor Fitzgerald:

499 Park Avenue

New York, New York 10022

Attention: General Counsel

Facsimile: (212) 829-4708

(2) *If to BGC Partners*:

199 Water Street

New York, New York 10038

Attention: General Counsel

Facsimile: (212) 829-4708

The address of any party hereto may be changed on notice to the other parties hereto duly served in accordance with the foregoing provisions.

(h) The parties of this Agreement understand and agree that any or all of the obligations of any Providing Party set forth herein may be performed by any of its subsidiaries, other than the Receiving Party or any of its subsidiaries. In addition, CFLP may cause any or all of the benefits due to Cantor to be received by any of its subsidiaries, other than BGCP or any of its subsidiaries. BGCP may cause any or all of the benefits due to BGC Partners to be received by any of its subsidiaries.

(i) In the event the Receiving Party uses assets that are subject to an operating lease between the Providing Party and a third party to provide services hereunder, the Receiving Party shall comply with the terms and conditions of such operating lease.

[Signature Page Follows]

Table of Contents

IN WITNESS WHEREOF, the parties hereto have executed or caused this Administrative Services Agreement to be executed in their respective names by their respective officers thereunto duly authorized, as of the date first written above.

CANTOR FITZGERALD, L.P.

By: CF Group Management, Inc.
Its General Partner

By:
Name:
Title:

BGC PARTNERS, INC.

By:
Name:
Title:

[Signature Page for Administrative Services Agreement, dated [•], 2008, between Cantor Fitzgerald, L.P. and BGC Partners, Inc.]

Table of Contents

Annex H

PRIVATE & CONFIDENTIAL

Dated: 2007

FORM OF

TOWER BRIDGE INTERNATIONAL SERVICES L.P. and

BGC INTERNATIONAL (1)

On behalf of themselves and the BGC Entities

and

CANTOR FITZGERALD, L.P. (2)

On behalf of itself and the CFLP Entities

including those listed on page 1 hereof

ADMINISTRATIVE SERVICES AGREEMENT

Table of Contents

Administrative Services Agreement

Tower Bridge International Services L.P. and others

Cantor Fitzgerald, L.P and others

THIS ADMINISTRATIVE SERVICES AGREEMENT is dated May 2007 and is made *BETWEEN:*

(1) *TOWER BRIDGE INTERNATIONAL SERVICES L.P.* a United Kingdom limited partnership established under the Limited Partnership Act 1907 acting through its General Partner Tower Bridge GP Limited whose registered office is at One Churchill Place, London E14 5RD (*Services LP*) and, *BGC International*, an English unlimited company whose registered office is at One Churchill Place, London E14 5RD (*BGCI*). Collectively Services LP, and BGC International shall be referred to herein as the *Services Providers* and

(2) *CANTOR FITZGERALD, L.P*. a Delaware limited partnership whose principal place of business is 499 Park Avenue, New York, NY 10022 on behalf of itself and the CFLP Entities, including but not limited to *CANTOR FITZGERALD EUROPE* an English unlimited company whose registered office is at 17 Crosswall, London, *EC3N 2LB*, *CANTOR INDEX LIMITED*, *CANTORCO2e LIMITED*, *CLIMATE WAREHOUSE UK LIMITED* and *CANTOR GAMING LIMITED*, all English limited companies whose registered offices are at One Churchill Place, London E14 5RD, *CANTOR FITZGERALD (HONG KONG) CAPITAL MARKETS LIMITED* a Hong Kong limited company whose registered office is at Suites 6402-6408, 64th Floor, Two International Finance Centre, No 8 Finance Street, Central, Hong Kong, *CANTOR FITZGERALD (SOUTH AFRICA) PTY LIMITED* a South African limited company whose registered office is at c/o Statucor, 13 Wellington Road, Parktown 2193, South Africa and *CANTOR G&W INTERNATIONAL LP* a limited partnership incorporated under the United Kingdom Limited Partnership Act, 1907 whose registered office is at One Churchill Place, London E14 5RD, and also including any CFLP Entities which become a party to this Agreement pursuant to clause 12.8 or 12.9 hereof. Collectively and individually Cantor Fitzgerald, L.P. and the CFLP Entities shall be referred to herein as the *Services Recipients* .

WHEREAS:

(A) The Services Providers have the resources and capacity to provide certain services, including office space, personnel and corporate services, such as cash management, internal audit, information technology, facilities management, promotional sales and marketing, legal, payroll, benefits administration and other administrative services and insurance services (collectively, *Administrative Services*).

(B) The Services Providers are willing to provide or arrange for the provision of Administrative Services to the Services Recipients, all upon the terms and conditions set forth herein.

(C) In the absence of obtaining such services from the Services Providers, the Services Recipients would require additional staff and would need to enhance its existing administrative infrastructure.

(D) The Services Recipients may develop the resources and capacity to provide certain Administrative Services to the Services Providers, and are willing to provide or arrange for the provision of such services to the Services Providers, all upon the terms and conditions set forth herein.

(E) Each of the parties hereto acknowledges that greater efficiencies and reduced costs are expected to be achieved from the economies of scale associated with the provision of such services by the Services Providers to the Services Recipients and by the Services Recipients to

the Services Providers in the manner provided herein during the Term hereof.

Table of Contents

Administrative Services Agreement

Tower Bridge International Services L.P. and others

Cantor Fitzgerald, L.P and others

NOW IT IS HEREBY AGREED as follows:

1. Definitions and interpretation

1.1 In this Agreement, unless the context otherwise requires:

Administrative Services bears the meaning in Recital A;

Affiliate means, in relation to a Party, any person controlled by, controlling, or under common control with that Party;

BGC Entities means the direct and indirect current and future Subsidiaries of BGC Partners, L.P. (or of such other entity that Services LP may nominate in writing to CFLP from time to time as controlling BGC Partners, L.P) together with those entities which are nominated to be BGC Entities in accordance with clause 12 hereof and does not include CFLP Entities or eSpeed, Inc and its direct and indirect Subsidiaries;

CFLP Entities means the direct and indirect current and future Subsidiaries of CFLP other than (1) the Services Providers and the BGC Entities and (2) eSpeed, Inc. and its direct and indirect Subsidiaries), together with those entities which are nominated to be CFLP Entities in accordance with clause 12 hereof;

CFLP means Cantor Fitzgerald, L.P.;

Effective Date save where the Parties hereto may agree in writing means the later of 1 January 2007 or the date on which Services Providers commence the provision of services hereunder to a Services Recipient;

Extended Term bears the meaning in clause 2 of this Agreement;

Initial Term bears the meaning in clause 2 of this Agreement;

Office bears the meaning in part (a) of the Schedule;

Party and *Parties* means collectively the Services Providers and the Services Recipients and each of them individually;

Subsidiaries means any entity directly or indirectly controlled by either CFLP or BGC Partners, L.P. (excluding each other s subsidiaries) as the case may be (or in relation to BGC Partners, L.P. only, controlled by such other entity that Services LP may nominate in writing to CFLP from time to time as controlling BGC Partners, L.P); and

Term bears the meaning set out in clause 2.

1.2 In this Agreement, unless the context otherwise requires:

1.2.1 references to a Clause or the Schedule are to a clause of, or the schedule to, this Agreement, and references to this Agreement include its Schedule and references in the Schedule or part or section of the Schedule to a paragraph are to a paragraph of the Schedule or that part or section of the Schedule;

1.2.2 references to this Agreement or any other document or to any specified provision of this Agreement or any other document are to this Agreement, that document or that provision as in force for the time being and as altered from time to time in accordance with the terms of this Agreement or that document or, as the case may be, with the agreement of the relevant parties;

1.2.3 words importing the singular include the plural and vice versa, words importing a gender include every gender and references to persons include corporations;

Table of Contents

Administrative Services Agreement

Tower Bridge International Services L.P. and others

Cantor Fitzgerald, L.P and others

1.2.4 the descriptive headings to Clauses, the Schedule and paragraphs are inserted for convenience only, have no legal effect and shall be ignored in the interpretation of this Agreement; and

1.2.5 references to a party are to a party hereto and references to the parties are to the parties hereto.

1.3 references to writing includes any method of reproducing words in a legible and non-transitory form.

2. Term

2.1 The term of this Agreement commenced on the Effective Date and shall remain in effect for a three year period (the *Initial Term*). Thereafter, this Agreement shall be renewed automatically for successive one year terms (the *Extended Term*), unless any party shall give written notice to the other parties at least 180 days before the end of the Initial Term or the then current Extended Term, as the case may be, of its desire to terminate this Agreement, in which event this Agreement shall end with respect to the terminating party, on the last day of the Initial Term or the then current Extended Term, as the case may be, *provided*, *however*, that in the event any of the Services Providers terminates this Agreement, the Services Recipients shall be entitled to continued use of any hardware and equipment that it used prior to the date of this Agreement upon the terms and conditions set forth herein (including the payment terms in clause 5), and *provided*, *further*, that the Services Providers shall not be required to repair or replace any such hardware or equipment.

2.2 This Agreement may be terminated by a Party as provided herein or as provided in clause 9, with respect to a particular service or group of services only, in which case it shall remain in full force and effect with respect to the other services described herein. The terminating party shall pay to the other party an amount equal to the costs incurred by the party providing services as a result of such termination, including, without limitation, any severance or cancellation fees. Notwithstanding the foregoing, the Term of this Agreement, with respect to any space made available by a Services Provider to Services Recipients pursuant to Schedule A, shall not extend beyond the term of the Services Provider s lease of (or equivalent right to occupy) such space, including any extension thereof. The Initial Term and the Extended Term are referred to herein as the *Term*.

3. *Services*

3.1 During the Term hereof and upon the terms and conditions set forth herein, the Services Providers shall provide such Administrative Services to Services Recipients as reasonably requested by the Services Recipients, including but not limited to, (i) administration and benefits services; (ii) employee benefits, human resources and payroll services; (iii) financial and operations services; (iv) internal auditing services; (v) legal related services; (vi) risk and credit services; (vii) accounting services; (viii) general tax services; (ix) space; (x) personnel; (xi) hardware and equipment; (xii) communication and data facilities; (xiii) facilities management services; (xiv) promotional, sales and marketing services; (xv) procuring of insurance coverage; (xvi) miscellaneous services as the Parties may reasonably agree.

3.2 During the Term and upon the terms and conditions set forth herein, the relevant Services Recipient shall provide to a Services Provider, Administrative Services set out in clause 3.1(i) to (xvi) as the Services Provider may reasonably request from time to time. Where such

Services are provided, references herein to the Services Provider shall be the Services Recipient and vice versa.

3.3 A party providing Administrative Services under clauses 3.2 or 3.3 may at its discretion arrange for Affiliates or other third parties to provide such services hereunder. The provision of such Administrative Services shall also be subject to the terms of any other agreements entered into between the parties hereto and any other administrative services agreement with any Affiliate of such services provider or services recipient.

Table of Contents

Administrative Services Agreement

Tower Bridge International Services L.P. and others

Cantor Fitzgerald, L.P and others

3.4 Each party shall use that degree of skill, care and diligence in the performance of services hereunder that (i) a reasonable Person would use acting in like circumstances in accordance with financial services industry standards and all applicable laws and regulations and (ii) is no less than that exercised by such party with respect to comparable services that it performs on its own behalf.

3.5 The applicable Services Provider and Recipient shall cooperate with each other in all reasonable respects in matters relating to the provision and receipt of the Administrative Services. Such cooperation shall include obtaining all consents, licenses or approvals necessary to permit each party to perform its obligations hereunder.

4 *Authority*

Notwithstanding anything to the contrary contained in clause 3, each Services Provider acknowledges and agrees that it shall provide the services set forth in clause 3 subject to the ultimate authority of each of the Services Recipients to control its own business and affairs. Each Party acknowledges that the services provided hereunder by the Services Providers are intended to be administrative and technical support services and are not intended to set policy for each of the Services Recipients.

5 *Charges for Services*

5.1 In consideration for the provision of services under clause 3, the Services Providers shall charge each of the Services Recipients (including any applicable taxes, in connection with the provision of such services), based upon:

(i) an amount equal to the direct cost that the Services Providers estimates it will incur or actually incurs in performing those services including third party charges incurred in providing services pursuant to clause 3 (and space shall be charged in accordance with the Schedule hereto), plus

(ii) a reasonable allocation of other costs (including, without limitation, any irrecoverable value added tax or similar tax the Services Providers estimates it will incur or actually incurs in connection with such services, depreciation and amortization) determined in a consistent and fair manner so as to cover the Services Providers appropriate costs or in such other manner as the Parties shall agree. The Services Providers shall not charge the Services Recipients any portion of any tax for which the Services Providers receives a rebate or credit, or to which the Services Providers are entitled to a rebate or credit,

together with such mark up (if any) as the relevant Parties may agree from time to time.

5.2 Any value added or other turnover taxes required to be charged in respect of services provided hereunder shall be separately charged in addition to any charges otherwise due hereunder.

5.3 Each Services Recipient shall pay to the relevant Services Provider the aggregate charge for services provided under this Agreement in arrears within 30 days after each calendar month. Amounts due by any one Services Recipient to any one Services Provider under the Agreement shall be set off against amounts due by the second party to the first under this or any other Agreement.

5.4 To the extent that any Services Recipient provides any services to any Services Provider under clause 3.2 hereof, then the provisions of this Agreement including clauses 5 and 8 shall apply to the provision of such services mutatis mutandis.

Administrative Services Agreement

Tower Bridge International Services L.P. and others

Cantor Fitzgerald, L.P and others

6 Exculpation and Indemnity; Other Interests

6.1 Each Services Provider (including its partners, officers, directors and employees) shall not be liable to any of the Services Recipients or the shareholders of the Services Recipients for any acts or omissions taken or not taken in good faith on behalf of any of them and in a manner reasonably believed by the Services Provider to be within the scope of the authority granted to it by this Agreement and in the best interests of the Services Recipients, except for acts or omissions constituting fraud or wilful misconduct in the performance of the Services Provider s duties under this Agreement. Notwithstanding the foregoing, the Services Providers shall be liable to the Services Recipients for any losses incurred by any of them in connection with the provision of the Services Provider s services hereunder to the extent such Services Provider is entitled to be reimbursed by an unaffiliated third party for any such liability. The Services Recipients shall indemnify, defend and hold harmless the Services Providers (and their stockholders, partners, officers, directors and employees) from and against any and all claims or liabilities of any nature whatsoever (including consequential damages and reasonable attorney s fees) arising out of or in connection with any claim against the Services Providers under or otherwise in respect of this Agreement, except where attributable to the fraud or wilful misconduct of the Services Providers.

6.2 Each Services Recipient (including its officers, directors and employees) shall not be liable to any of the Services Providers or the shareholders of the Services Provider for any acts or omissions taken or not taken in good faith on behalf of such Services Recipient and in a manner reasonably believed by such Services Recipient to be within the scope of the authority granted to it by this Agreement and in the best interests of the Services Provider, except for acts or omissions constituting fraud or wilful misconduct in the performance of such Services Recipient s duties under this Agreement. Notwithstanding the foregoing, the Services Recipients shall be liable to the Services Providers for any losses incurred by the Services Providers in connection with the provision of the Services Recipients services hereunder to the extent such Services Recipient is entitled to be reimbursed by an unaffiliated third party for any such liability. The Services Providers shall indemnify, defend and hold harmless the Services Recipients (and their stockholders, partners, officers, directors and employees) from and against any and all claims or liabilities of any nature whatsoever (including consequential damages and reasonable attorney s fees) arising out of or in connection with any claim against the Services Recipients under or otherwise in respect of this Agreement, except where attributable to the fraud or wilful misconduct of the Services Recipients.

6.3 Save to the extent prohibited by law, the provision of clauses 6.1 and 6.2 sets out the entire liability of the parties to each other.

6.4 Nothing in this Agreement shall prevent any of the Services Providers, the Services Recipients or their Affiliates from engaging in or possessing an interest in other business ventures of any nature or description, independently or with others, whether currently existing or hereafter created, and any Party hereto who is not a party to such arrangements shall have any rights in or to such independent ventures or to the income or profits derived therefrom.

7 Relationship of the Parties

No partnership, joint venture or other arrangement shall be deemed to be created by this Agreement. Except as expressly provided herein, none of the Services Providers nor any of the Services Recipients nor their respective Affiliates shall have any claim against any of the others or right of contribution by virtue of this Agreement with respect to any uninsured loss incurred by any of the others, nor shall either of them have a claim or right against any of the others by virtue of this Agreement with respect to any loss that is deemed to be included within the deductible, retention or self-insured portion of any insured risk.

Administrative Services Agreement

Tower Bridge International Services L.P. and others

Cantor Fitzgerald, L.P and others

8 Audit

Any party hereto may request a review, by those certified public accountants who examine the Services Providers or the Service Recipients books and records, of the other party s cost allocation to the requesting party to determine whether such allocation is proper under the procedures set forth herein. Such a review is to be conducted at the requesting party s expense.

9 Services by Third Parties

Except with respect to space made available to each of the Services Recipients pursuant to Schedule A, each of the Services Recipients may in its absolute discretion and without cause procure any of the services or benefits specified in clause 3 from a third party or may provide such services or benefits for itself. The Services Provider shall discontinue providing such services or benefits upon written notice by the discontinuing party, delivered at least 90 days before the requested termination date. The terminating Services Recipient shall pay to the Providing Parties an amount equal to the costs incurred by the Providing Parties as a result of such termination, including without limitation, any severance or cancellation fees.

10 Failure to Perform the Administrative Services

In the event of any breach of this Agreement by the Services Provider with respect to any error or defect in providing any Administrative Service, the Services Provider shall, at the Services Recipient s request, without the payment of any further fees by the Services Recipient, use its commercially reasonable best efforts to correct or cause to be corrected such error or defect or reperform or cause to be reperformed such Administrative Service, as promptly as practicable.

11. Force Majeure

The Services Providers do not warrant that any of the services or benefits herein agreed to be provided shall be free of interruption caused by acts of God, strikes, lockouts, accidents, inability to obtain third-party co-operation or other causes beyond its respective control. No such interruption of services or benefits shall be deemed to constitute a breach of any kind whatsoever.

12 Post-Termination Payments

Notwithstanding any provision herein to the contrary, all payment obligations hereof shall survive the happening of any event causing termination of this Agreement until all amounts due hereunder have been paid.

13 Confidentiality

13.1 Except as otherwise provided in this Agreement, (a) the Services Provider shall, and shall cause its affiliates (and their respective accountants, counsel, consultants, employees and agents to whom they disclose such information), to keep confidential all information in the possession of the Services Provider that in any way relates to the Services Recipient, and (b) the Services Recipient shall, and shall cause its affiliates (and their respective accountants, counsel, consultants, employees and agents to whom they disclose such information), to keep confidential all information in possession of the Services Recipient that relates to the Services Provider and is not

information related to the Services Recipient or its assets. The provisions of this clause do not apply to the disclosure by either party hereto or their respective affiliates of any information, documents or materials (i) which are, or become, publicly available, other than by reason of a breach of this clause by the disclosing party or any affiliate of the disclosing party, (ii) received from a

third party not bound by any confidentiality agreement with the other party hereto, (iii) required by applicable law to be disclosed by that party, or (iv) necessary to establish such party s rights under this Agreement, provided that in the case of clauses (iii) and (iv), the person intending to make disclosure of confidential information will promptly notify the party to whom it is obligated to keep such information confidential and, to the extent practicable, provide such party a reasonable opportunity to prevent public disclosure of such information.

13.2 Upon the request of a Services Recipient and upon termination of the relevant Administrative Service and/or this Agreement, each Services Provider shall provide the Services Recipient with any data or information generated with respect to the Administrative Services provided to the Services Recipient in a format usable by the Services Recipient. The Services Recipient shall pay the cost, if any, of converting such data or information into the appropriate format.

14 Miscellaneous

14.1 This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors, and assigns. Neither of the Services Providers on the one hand nor any of the Services Recipients on the other hand shall have the right to assign all or any portion of its rights under and the benefits of this Agreement without the prior written consent of the other save that the Services Providers may without the consent of any of the Services Recipients, assign this Agreement in whole or in part hereunder to another BGC Entity.

14.2 No waiver by any party hereto of any of its rights under this Agreement shall be effective unless in writing and signed by a director of the party waiving such right. No waiver of any breach of this Agreement shall constitute a waiver of any subsequent breach, whether or not of the same nature. This Agreement may not be modified or amended except in writing signed by directors of each of the parties hereto. This Agreement may not be modified or amended except (i) by a writing signed by officers or directors of the Services Recipients and the Services Providers or the relevant parties as the case may be; and (ii) such modification or amendment is approved by a majority of the outside directors of the Board of Directors of BGC Partners, Inc. For purposes of this Agreement, an outside director shall mean a director who is not an employee, partner or affiliate (other than solely by reason of being a director of BGC Partners, Inc.) of BGC Partners, Inc., CFLP or any of their respective affiliates. Up to the time that outside directors of BGC Partners, Inc. are appointed, then such modifications or amendments must be approved by the members of the Audit Committee of the Board of Directors of eSpeed, Inc.

14.3 Save as is set out herein to the contrary or in the Administrative Services Agreement dated on or about the date hereof among CFLP and BGC Partners, Inc, this Agreement constitutes the entire Agreement of the parties with respect to the services and benefits described herein, and cancels and supersedes any and all prior written or oral contracts or negotiations between the parties with respect to the subject matter hereof including the following Administrative Services Agreements between:

(i) Cantor Fitzgerald International and Cantor Fitzgerald Europe, dated 31 October 2000,

(ii) Cantor Fitzgerald International and Cantor Index Limited, dated 31 December 2000,

(iii) Cantor Fitzgerald International and CO2e.com Limited, dated 14 October 2002,

(iv) BGC International and Cantor G&W International L.P. and,

(v) BGC International and Cantor Fitzgerald (Hong Kong) Capital Markets Limited, dated 27 November 2006.

Administrative Services Agreement

Tower Bridge International Services L.P. and others

Cantor Fitzgerald, L.P and others

In the event of any conflict between the Administrative Services Agreement, dated on or about the date hereof, among CFLP and BGC Partners, Inc. and this Agreement, this Agreement shall govern.

14.4 This Agreement shall be strictly construed as independent from any other agreement or relationship between the parties.

14.5 Any notice, request or other communication required or permitted in this Agreement shall be in writing and shall be sufficiently given if personally delivered or if sent by registered mail, postage prepaid, to the addresses of the entities shown on page 1 of this Agreement or to the entity s registered office. The address of any party hereto may be changed on notice to the other duly served in accordance with the foregoing provisions.

14.6 The Parties to this Agreement understand and agree that any or all of the obligations of the Services Providers set forth herein may be performed by Services LP, BGCI or any of the BGC Entities.

14.7 In the event any of the Services Recipients uses assets that are subject to a lease (operating or otherwise) between any Services Provider and a third party to provide assets or services to that Services Provider, the Services Recipients shall comply with the terms and conditions of such lease.

14.8 Any subsidiary or affiliate of CFLP or the Services Providers, which provides or receives Services under this Agreement now or in the future shall automatically become a party to this Agreement and be bound by all of its terms and conditions without having to execute a counterpart to this Agreement. Any branches of the parties hereto or which become a party hereto pursuant to clauses 14.8 and 14.9 shall, unless stated to the contrary in writing, be bound by the terms of this Agreement also.

14.9 CFLP may nominate in writing an entity that may be deemed to be a CF Entity hereunder provided such entity complies with the provisions hereof and provided Services LP consents in writing to such nominated entity becoming a party hereto.

14.10 This Agreement may be executed in counterparts.

14.11 No term of this Agreement is enforceable under the Contracts (Rights of Third Parties) Act 1999 by a person who is not a party to this Agreement.

15 Law and Jurisdiction

This agreement will be governed by and construed in accordance with English law and the parties hereby submit to the non-exclusive jurisdiction of the English courts.

Table of Contents

Administrative Services Agreement

Tower Bridge International Services L.P. and others

Cantor Fitzgerald, L.P and others

IN WITNESS whereof this Agreement has been entered into the day and year first written above.

SIGNED on behalf of

TOWER BRIDGE

INTERNATIONAL SERVICES L.P.

acting through its General Partner

TOWER BRIDGE GP LIMITED

name:

title:

SIGNED on behalf of

BGC INTERNATIONAL

name:

title:

SIGNED on behalf of

CANTOR FITZGERALD, L.P

name:

title:

SIGNED on behalf of

CANTOR FITZGERALD EUROPE

name:

title:

SIGNED on behalf of

CANTOR INDEX LIMITED

name:

title:

SIGNED on behalf of

CANTORCO2E LIMITED

name:

title:

Table of Contents

Administrative Services Agreement

Tower Bridge International Services L.P. and others

Cantor Fitzgerald, L.P and others

SIGNED on behalf of

CANTOR GAMING LIMITED

name:

title:

SIGNED on behalf of

CANTOR G&W INTERNATIONAL LP

Acting through its General Partner

Cantor G&W International Holdings, LLC

name:

title:

SIGNED on behalf of

CANTOR FITZGERALD (HONG KONG)

CAPITAL MARKETS LIMITED

name:

title:

SIGNED on behalf of

CANTOR FITZGERALD

(SOUTH AFRICA) PTY LIMITED

name:

title:

SIGNED on behalf of

CLIMATE WAREHOUSE UK

LIMITED

name:

title:

Table of Contents

Administrative Services Agreement

Tower Bridge International Services L.P. and others

Cantor Fitzgerald, L.P and others

SCHEDULE

Space Sharing for Offices

(a) *Licence to share space*. During the term of this Agreement, and for so long only as the parties are permitted by the terms of any lease, licence or other arrangement, a Services Recipient may share with a Services Provider the occupation of the whole or any part of the Services Provider s offices (*Office*) for the purposes permitted under the agreement pursuant to which the Services Provider occupies the Office, subject to the terms set out in this Schedule. The space to be shared by each of the Services Recipients and the Services Provider may be agreed between them in writing, but may be expanded or contracted if and as agreed by the parties from time to time. At the request of the Services Provider, each of the Services Recipients shall vacate the Office immediately if it is no longer permitted by the forms of any lease, licence or other arrangement to continue such sharing.

b) *Consideration*. So long as each of the Services Recipients share any part of the Office, such Services Recipient shall pay to the Services Provider in accordance with clause 6 of the Agreement an amount equal to the product of (X) the average rate per square foot, metre or other unit of measurement then being paid by the Services Provider for the Office (such amount to include if applicable rent and any service charge, insurance charge, rates and other outgoings of each of the Services Recipients) and (Y) the number of square feet, metres or other unit agreed pursuant to paragraph (a) above. In addition, the applicable Services Recipient shall pay to the Services Provider in accordance with clause 5 of the Agreement an amount equal to the sum of the costs allocated under generally accepted accounting principles, including, without limitation, leasehold amortization expenses, depreciation, overhead, taxes and repairs in respect of the applicable Office multiplied by a fraction, the numerator of which equals the number of square feet, metre or other unit of measurement made available for use by the Services Recipient and the denominator of which equals to the total number of square feet, metre or other unit of measurement leased or licensed by the Services Provider under the lease or license for the applicable Office. Payments for any partial calendar month shall be prorated on a daily basis.

(c) *Compliance with lease licence or other arrangement*. Each of the Services Recipients hereby agrees not to take any action or fail to take any action in connection with its sharing of any part of the Office as a result of which the Services Provider would be in breach of any of the terms and conditions of the lease licence or other arrangement or other restriction or obligation affecting the Services Provider s use of such Office. Each of the Services Recipients agrees to comply with the terms and provisions of any such lease licence or other arrangement in which it shares space. There is no intention to create between a Services Provider and any of the Services Recipients the relationship of lessor and lessee (or equivalent relationship) in relation to the Office other than may be specifically set out in a separate agreement between Services Provider and the Services Recipient. The same shall apply notwithstanding that a Services Recipient has entered into a sub-lease with a Services Provider or direct lease with the landlord. Any sharing of space, sublease or other arrangement shall be subject to any third party consents, including the landlord s.

(d) *Space used*. Initial Square foot, metre or other unit to be used by each Services Recipient shall be set out in a further schedule which shall be executed between each relevant Services Provider and Recipient and which shall form part of this Agreement.

Table of Contents

Annex I

BGC HOLDINGS, L.P. PARTICIPATION PLAN

1. *Purpose of the Plan*

The purpose of this BGC Holdings, L.P. Participation Plan (the Plan) is to advance the interests of BGC Partners by providing a tax-efficient means, through the grant of Bonus Awards, Discount Purchase Awards, and Purchase Awards enabling Participants to acquire Partnership Interests, to (a) attract, retain, incentivize, and reward present and prospective employees and officers of BGC Partners and its Affiliates, and (b) enable such persons to acquire or increase a proprietary interest in the Partnership in order to promote a closer identity of interests between such persons and BGC Partners and its stockholders.

2. *Definitions*

Capitalized terms used in the Plan and not defined elsewhere in the Plan shall have the meanings set forth in this Section.

2.1 Affiliate means any domestic or foreign corporation, partnership, limited liability company, or other entity that directly or indirectly is controlled by BGC Partners.

2.2 Award means a compensatory award granted under the Plan, pursuant to which a Participant acquires, or has the right or opportunity to acquire, Partnership Interests, and includes Bonus Awards, Discount Purchase Awards, and Purchase Awards.

2.3 Award Agreement means a written document prescribed by the Committee and provided to a Participant evidencing the grant of an Award.

2.4 Beneficiary means the person(s) or trust(s) entitled by will or the laws of descent and distribution to receive any rights or benefits with respect to an Award that survive a Participant s death; *provided*, *however*, that, if at the time of the Participant s death, the Participant had on file with the Committee a written designation of a person(s) or trust(s) to receive such rights or benefits, then such person(s) (if still living at the time of the Participant s death) or trust(s) shall be the Beneficiary for purposes of the Award.

2.5 BGC Partners means BGC Partners, Inc., a Delaware corporation, and any successor thereto, as the sole member of the general partner of the Partnership.

2.6 BGC Partners LTIP means the BGC Partners, Inc. Long Term Incentive Plan, as Amended and Restated as of , 200[7], as the same may from time to time be further amended and restated.

2.7 Board means the Board of Directors of BGC Partners.

2.8 Bonus Award means any Award for which the Participant pays no consideration (other than the performance of services).

2.9 Code means the Internal Revenue Code of 1986, as amended, including regulations thereunder and successor provisions and regulations thereto.

2.10 Committee means the compensation committee of the Board; the Board, where the Board is acting as the Committee pursuant to Section 3.1; and such senior executive(s) of BGC Partners as may be delegated any of the Committee s powers and duties under the Plan pursuant to Section 3.3.

2.11 Discount Purchase Award means any Award that requires the Participant to pay consideration (in cash, foregone cash compensation, Partnership Interests, other Awards, or other consideration (other than the performance of services)), the Fair Market Value of which is less than the Fair Market Value of the Partnership Interests subject thereto as determined on the date of grant of the Award.

Table of Contents

2.12 Fair Market Value means, with respect to Partnership Interests, other Awards, or other consideration (other than the performance of services), the fair market value determined by the Committee using a reasonable valuation method consistent with applicable provisions of the Code, applicable accounting principles, and other applicable law and regulation.

2.13 Participant means any eligible person who has been granted an Award.

2.14 Partnership means BGC Holdings, L.P., a limited partnership organized under the laws of the State of Delaware, and any successor thereto as provided in Section 6.

2.15 Partnership Agreement means the Agreement of Limited Partnership of BGC Holdings, L.P., as Amended and Restated as of , 200[7], as the same may from time to time be further amended and restated.

2.16 Partnership Interests means limited partnership interests of the Partnership issued pursuant to the Partnership Agreement, and such other securities as may be substituted or resubstituted for Partnership Interests pursuant to Section 6.

2.17 Purchase Award means any Award that requires the Participant to pay consideration (in cash, foregone cash consideration, Partnership Interests, other Awards, or other consideration (other than the performance of services)), the Fair Market Value of which is equal to or greater than the Fair Market Value of the Partnership Interests subject thereto as determined on the date of grant of the Award.

3. *Administration*

3.1 *The Committee*. The Committee shall administer the Plan. To the extent permitted by applicable law and regulation, the Board may perform any function of the Committee under the Plan. In addition, the Board, BGC Partners, and the general partner of the Partnership shall have the respective authority and responsibility specifically reserved to them under the Plan, the Partnership Agreement, the Partnership s general partner s organic documents, BGC Partners Certificate of Incorporation and By-laws, and applicable law and regulation.

3.2 *Powers and Duties of the Committee.* In addition to the powers and duties specified elsewhere in the Plan, the Committee shall have the authority and responsibility to:

(a) adopt, amend, suspend, and rescind such rules and regulations and appoint such agents as the Committee may deem necessary or advisable to administer the Plan;

(b) correct any defect or supply any omission or reconcile any inconsistency in the Plan and to construe and interpret the Plan and any rules and regulations, Award Agreement, or other instrument hereunder;

(c) make determinations relating to eligibility for and entitlements in respect of Awards, and to make all factual findings related thereto; and

(d) make all other decisions and determinations as may be required under the terms of the Plan or as the Committee may deem necessary or advisable for the administration of the Plan.

All decisions and determinations of the Committee may be made in its sole and absolute discretion and shall be final and binding upon all Participants, Beneficiaries, and other persons claiming any rights under the Plan, any Award, or any Award Agreement.

3.3 *Delegation by the Committee*. To the extent permitted by applicable law and regulation, the Committee may delegate, on such terms and conditions as it determines, to one or more senior executives of BGC Partners (i) the power to grant Awards to Participants other than officers of BGC Partners and (ii) other administrative duties under the Plan with respect thereto. Any such delegation may be revoked by the Committee at any time.

Table of Contents

3.4 *Limitation of Liability*. Each member of the Committee shall be entitled, in good faith, to rely or act upon any report or other information furnished to him or her by any officer or other employee of BGC Partners or any of its Affiliates, BGC Partners independent registered public accounting firm, or any executive compensation consultant, legal counsel, or other professional retained by BGC Partners to assist in the administration of the Plan. No member of the Committee, nor any officer or employee of BGC Partners acting on behalf of the Committee, shall be personally liable for any action, decision, or determination taken or made in good faith with respect to the Plan, any Award, or any Award Agreement, and all members of the Committee and any officer or employee of BGC Partners or any of its Affiliates acting on behalf of the Committee shall, to the extent permitted by applicable law and regulation, be fully indemnified and protected by BGC Partners and its Affiliates with respect to any such action, decision, or determination.

4. *Awards*

4.1 *Eligibility*. The Committee shall select Participants from among present and prospective employees and officers of BGC Partners and its Affiliates.

4.2 *Types of Awards*. The Committee shall determine the types of Awards to be granted under the Plan, which shall include Bonus Awards, Discount Purchase Awards, and Purchase Awards. The Committee is authorized to grant Awards in lieu of obligations of BGC Partners or any of its Affiliates to pay cash or grant other awards under other plans or compensatory arrangements, to the extent permitted by such other plans or arrangements. Partnership Interests issued pursuant to an Award that includes a purchase right shall be purchased for such consideration, paid for at such times, by such methods, in such amounts, and in such forms, including cash, foregone cash consideration, Partnership Interests, other Awards, or other consideration (other than the performance of services), as the Committee shall determine.

4.3 *Terms and Conditions of Awards.* The Committee shall determine all of the terms and conditions of each Award, including, but not limited to, the number of Partnership Interests subject to the Award and any purchase price, any restrictions or conditions relating to transferability, forfeiture, exercisability, or settlement, and any schedule or performance conditions for the lapse of such restrictions or conditions, and any accelerations or modifications thereof, based in each case upon such considerations as the Committee shall determine. The Committee shall determine whether, to what extent, and under what circumstances an Award may be settled, or may be canceled, forfeited, or surrendered. The right of a Participant to receive, exercise, or settle an Award, and the timing thereof, may be subject to such performance conditions as may be specified by the Committee. The Committee may use such business criteria and measures of performance as it may deem appropriate in establishing performance conditions, and may reduce or increase the amounts payable under any Award subject to performance conditions.

4.4 *Stand-Alone, Additional, Tandem, and Substitute Awards.* Awards may be granted either alone or in addition to, in tandem with, or in substitution or exchange for any other Award or any award granted under another plan of BGC Partners or any of its Affiliates, or any business entity to be acquired by BGC Partners or any of its Affiliates, or any other right of a Participant to receive payment from BGC Partners or any of its Affiliates. In granting a new Award that includes a purchase right, the Committee may determine that the Fair Market Value of any surrendered Award or other award may be applied, at either the time of grant or exercise, to reduce or pay the purchase price of the new Award.

4.5 *Awards Involving Exchangeable Partnership Interests.* If and to the extent that any Partnership Interest subject to an Award is exchangeable for or otherwise represents a right to acquire shares of Class A Common Stock of BGC Partners, such shares shall be issued by BGC Partners pursuant to an Other Stock-Based Award granted under Section 6(h) of the BGC Partners LTIP, subject to all of the terms and provisions of such BGC Partners LTIP, and such right shall be subject to adjustment as provided in Section 8.06 of the Partnership Agreement and Section 4(c) of the BGC Partners LTIP.

Table of Contents

5. *Limitations on Awards*

The maximum aggregate number of Partnership Interests that may be issued pursuant to all Awards granted under the Plan shall be determined from time to time by the Board; *provided*, *however*, that an Award that, in accordance with Section 4.5, involves a Partnership Interest which is exchangeable for or otherwise represents a right to acquire shares of Class A Common Stock of BGC Partners may only be granted if and to the extent that such shares are available for issuance pursuant to an Other Stock-Based Award under the terms and provisions of the BGC Partners LTIP, including, but not limited to, Sections 4 and 8 thereof. Any Partnership Interests subject to an Award that is cancelled or forfeited, lapses, or is otherwise terminated without the issuance of such Partnership Interests shall no longer be counted against any maximum aggregate limitation established from time to time by the Board and may again be made subject to Awards.

6. *Adjustments*

In the event of any change in the terms, number, or value of outstanding Partnership Interests by reason of any dividend, split or reverse split, any reorganization, recapitalization, merger, amalgamation, consolidation, spin-off, combination or exchange, any repurchase, liquidation or dissolution, any large, special and non-recurring distribution, or any other similar extraordinary transaction, the Committee shall make such adjustment as it deems to be equitable in order to preserve, without enlarging, the rights of Participants, as to (i) the number and kind of Partnership Interests which may be issued under the Plan, (ii) the number and kind of Partnership Interests related to then-outstanding Awards, and (iii) the purchase price relating to any Award. In addition, the Committee is authorized to make adjustments in the terms and conditions of, and the criteria included in then-outstanding Awards (including, but not limited to, cancellation of Awards in exchange for the intrinsic value, if any, of the vested portion thereof, substitution of Awards using securities or other obligations of a successor entity, acceleration of the exercise or expiration date of Awards, or adjustment to performance goals in respect of Awards) in recognition of unusual or nonrecurring events (including, but not limited to, events described in the preceding sentence, as well as acquisitions and dispositions of businesses and assets) affecting the Partnership, any of its Affiliates, or any of their respective business units, or the financial statements of the Partnership, but not limited to any of its Affiliates, or any of their respective business units, or in response to changes in applicable accounting principles or other law or regulation. Notwithstanding the foregoing, if any such event will result in the acquisition of all or substantially all of the Partnership s outstanding Partnership Interests or assets, then, if the document governing such acquisition (e.g., merger agreement) specifies the treatment of outstanding Awards under this Section 6, such treatment shall govern without the need for any action by the Committee.

7. *General Provisions*

7.1 *Compliance with Applicable Law, Regulation, and Other Obligations*. The Partnership shall not be obligated to issue Partnership Interests in connection with any Award or take any other action under the Plan or the Partnership Agreement, including, but not limited to, permitting the exchange or other exercise of a right to acquire shares of Class A Common Stock of BGC Partners pursuant to a Partnership Interest that is or was subject to an Award in accordance with Section 4.5, in a transaction subject to the registration or other requirements of any applicable securities law or any other law, regulation, or other obligation of the Partnership, until the Partnership is satisfied that such laws, regulations, and other obligations have been complied with in full.

7.2 *Limitations on Transferability*. Awards and other rights or benefits under the Plan shall not be transferable by a Participant except to a Beneficiary in the event of the Participant s death (to the extent any such Award, by its terms, survives the Participant s death), and, if exercisable, shall be exercisable during the lifetime of a Participant only by such Participant or his guardian or legal representative; *provided*, *however*, that such Awards and other rights or benefits may be transferred during the lifetime of the Participant, for purposes of the Participant s estate planning or other purposes consistent with the purposes of the Plan (as determined by the Committee), and may be exercised by such transferees in accordance with

Table of Contents

the terms of such Award, in each case only if and to the extent permitted by the Committee. Awards and other rights or benefits under the Plan may not be pledged, mortgaged, hypothecated, or otherwise encumbered, and shall not be subject to the claims of creditors. A Beneficiary, transferee, or other person claiming any rights or benefits under the Plan, any Award, or any Award Agreement shall be subject to all of the terms and conditions of the Plan and any Award Agreement applicable to the relevant Participant and Award, except as otherwise determined by the Committee, and to any additional terms and conditions deemed necessary or advisable by the Committee, whether imposed at or subsequent to the grant or transfer of the Award.

7.3 *No Right to Continued Employment; Leaves of Absence; Sales of Affiliates*. None of the Plan, the grant of any Award, or any other action taken hereunder shall be construed as giving any employee, officer, or other person the right to be retained in the employ of BGC Partners or any of its Affiliates (for the vesting period or any other period of time), nor shall it interfere in any way with the right of BGC Partners or any of its Affiliates to terminate any person s employment at any time. Unless otherwise specified in the applicable Award Agreement or determined by the Committee at the time of the event, (i) an approved leave of absence shall not be considered a termination of employment for purposes of an Award, and (ii) any Participant who is employed by an Affiliate shall be considered to have terminated employment for purposes of an Award if such Affiliate is sold or no longer qualifies as an Affiliate, unless such Participant remains employed by BGC Partners or another of its Affiliates.

7.4 *Taxes*. BGC Partners and any of its Affiliates are authorized to withhold from any Partnership Interests issued under the Plan, any distribution or other payment relating to a Partnership Interest, or any payroll or other payment to a Participant, amounts of withholding and other taxes due or potentially payable in connection with any transaction involving an Award, and to take such other action as the Committee may deem necessary or advisable to enable BGC Partners, its Affiliates, and Participants to satisfy their obligations for the payment of withholding taxes and other tax obligations relating to any Award. This authority shall include authority to withhold or repurchase Partnership Interests or other payments and to make cash payments to applicable taxing authorities in respect thereof in satisfaction of withholding tax obligations.

7.5 *Changes to the Plan and Awards*. The Board may amend, suspend, discontinue, or terminate the Plan or the Committee s authority to grant Awards without the consent of Participants; *provided, however*, that, without the consent of an affected Participant, no such action may materially impair the rights of such Participant under any then-outstanding Award. The Committee may amend, suspend, discontinue, or terminate any then-outstanding Award and any Award Agreement relating thereto; provided, however, that, without the consent of an affected Participant, no such action may materially impair the rights of such Participant under such Award. Any action with respect to a then-outstanding Award taken by the Committee pursuant to a specific authorization set forth in another Section of the Plan shall not be treated as an action described in this Section 7.5.

7.6 *No Right to Awards; No Partner Rights*. No Participant or other person shall have any claim to be granted any Award, and there is no obligation for uniformity of treatment among Participants, employees, or officers. No Award shall confer upon any Participant any of the rights of a partner of the Partnership unless and until Partnership Interests are duly issued to the Participant in accordance with the terms of the Award.

7.7 *Unfunded Status of Awards; Creation of Trusts*. The Plan is intended to constitute an unfunded plan for incentive compensation. With respect to any Partnership Interests not yet issued to a Participant pursuant to an Award, nothing contained in the Plan or any Award Agreement shall give any such Participant any rights that are greater than those of a general creditor of the Partnership; *provided, however*, that the Committee may authorize the creation of trusts or make other arrangements to meet the Partnership s obligations under the Plan to issue Partnership Interests pursuant to any Award, which trusts or other arrangements shall be consistent with the unfunded status of the Plan unless the Committee otherwise determines.

Table of Contents

7.8 *Nonexclusivity of the Plan*. The adoption of the Plan shall not be construed as creating any limitations on the power of the Board, BGC Partners, or any of its Affiliates, including, but not limited to, the Partnership, to adopt such other compensatory or other arrangements as it may deem necessary or desirable, including the granting of awards otherwise than under the Plan, and such arrangements may be either applicable generally or only in specific cases.

7.9 *Governing Law and Regulation*. The Plan and all Award Agreements shall be governed by and construed in accordance with the laws of the State of Delaware, without giving effect to any choice of law or conflict of law provision or rule (whether of the State of Delaware or any other jurisdiction), and applicable federal and other law and regulation.

7.10 *Severability of Provisions*. If any provision of the Plan or of any Award Agreement shall be held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions hereof or thereof, and the Plan and the Award Agreement shall be construed and enforced as if such provisions had not been included.

7.11 *Termination of Authority To Grant Awards*. Unless earlier terminated by the Board, the Committee s authority to grant Awards shall terminate on the day before the tenth anniversary of the effective date of the Partnership s adoption of the Plan. Upon any such termination of the Plan, no new grants of Awards may be made, but then-outstanding Awards shall remain outstanding in accordance with their terms, and the Committee otherwise shall retain its full powers and duties under the Plan with respect to such Awards.

Table of Contents

Annex J

May 29, 2007

Special Committee of the Board of Directors

eSpeed, Inc.

110 E. 59th Street

New York, New York 10022

Gentlemen:

eSpeed, Inc. (eSpeed), Cantor Fitzgerald, L.P. (Cantor), BGC Partners, Inc. (BGC Partners), BGC Partners, L.P. (BGC L.P), BGC Global Holdings , L.P (Global Holdings) and BGC Holdings, L.P. (Holdings) are entering into an Agreement and Plan of Merger, dated as of May 29, 2007 (the Agreement), pursuant to which BGC will be merged with and into eSpeed, with eSpeed being the surviving entity (the Merger). Under the terms of the Agreement, upon consummation of the Merger, each BGC Partners Class A Unit issued and outstanding immediately prior to the Effective Time shall be converted into one (1) share of eSpeed Class A Common Stock, each BGC Partners Class B Unit issued and outstanding immediately prior to the Effective Time shall be converted into one (1) share of eSpeed Class B Common Stock and each BGC Partners Class C Unit issued and outstanding immediately prior to the Effective Time shall be converted into one hundred (100) shares of eSpeed Class B Common Stock (collectively, the Exchange Ratios). The other terms and conditions of the Merger are more fully set forth in the Agreement. Capitalized terms used herein without definition shall have the meanings given to such term in the Agreement. You have requested our opinion as to the fairness, from a financial point of view, of the Exchange Ratios to the holders of eSpeed Class A Common Stock, other than Cantor and its affiliates.

Sandler O Neill & Partners, L.P., as part of its investment banking business, is regularly engaged in the valuation of financial institutions and their securities in connection with mergers and acquisitions and other corporate transactions. In connection with this opinion, we have reviewed, among other things: (i) the Agreement, including all schedules thereto; (ii) a form of separation agreement to be entered into by and among Cantor, BGC Partners, BGC L.P., Global Holdings and Holdings, including all schedules thereto; (iii) a form of registration rights agreement to be entered into by and between Cantor and BGC Partners; (iv) a form of administrative services agreement to be entered into by and between BGC Partners and Cantor; (v) a form of administrative services agreement to be entered into by and among BGC, Cantor and Tower Bridge International Services, L.P.; (vi) a form of Agreement of Limited Partnership of BGC Partners, L.P., as proposed to be amended and restated; a form of Agreement of Limited Partnership of BGC Holdings, L.P.; (vii) the BGC Holdings Participation Plan; (viii) the term sheet related to the Tax Receivables Agreement to be entered into between eSpeed and Cantor; (ix) certain publicly available financial statements and other historical financial information of eSpeed that we deemed relevant; (x) certain audited, unaudited and pro forma financial statements and other historical financial information of BGC Partners that we deemed relevant; (xi) internal financial projections for eSpeed for the years ending December 31, 2007 through 2010 as provided by management of eSpeed; (xii) internal financial projections for BGC for the years ending December 31, 2007 through 2010 as provided by management of BGC; (xiii) internal financial projections of the pro forma financial impact of the Merger on eSpeed, based on assumptions relating to transaction expenses, accounting adjustments, synergies, cost savings and revenue enhancements prepared by the senior management of eSpeed and BGC Partners; (xiv) the publicly reported historical price and trading activity for eSpeed s common stock, including a comparison of certain financial and stock market information for eSpeed with similar publicly available information for certain other companies the securities of which are publicly traded; (xv) the financial terms of certain recent business combinations in the inter-dealer broker market, to the extent publicly available; (xvi) the current market environment generally and inter-dealer broker market in particular; and (xvii) such other information, financial studies, analyses and investigations and financial, economic and market criteria as we considered relevant. We also discussed with certain members of the senior managements of eSpeed and BGC Partners the business, financial condition, results of operations and prospects of eSpeed and BGC Partners, respectively, and the prospects of the Company resulting from the Merger.

Table of Contents

In performing our review, we have relied upon the accuracy and completeness of all of the financial and other information that was available to us from public sources, that was provided to us by eSpeed, BGC Partners, and Cantor, or their respective representatives or that was otherwise reviewed by us and have assumed such accuracy and completeness for purposes of rendering this opinion. We have further relied on the assurances of management of eSpeed, BGC Partners and Cantor that they are not aware of any facts or circumstances that would make any of such information inaccurate or misleading. We have not been asked to and have not undertaken an independent verification of any of such information and we do not assume any responsibility or liability for the accuracy or completeness thereof. We did not make an independent evaluation or appraisal of the specific assets, the collateral securing assets or the liabilities (contingent or otherwise) of eSpeed, BGC Partners and Cantor or any of their subsidiaries, or the collectibility of any such assets, nor have we been furnished with any such evaluations or appraisals.

With respect to the financial projections for eSpeed and BGC Partners provided by the managements of eSpeed and BGC Partners and used by Sandler O Neill in its analyses, eSpeed s and BGC Partners managements confirmed to us that they reflected the best currently available estimates and judgments of the respective managements of the future financial performances of eSpeed and BGC Partners, respectively. With respect to the projections of transaction expenses, accounting adjustments, synergies, cost savings and revenue enhancements determined by the senior managements of eSpeed and BGC Partners, the managements of eSpeed, BGC Partners and Cantor confirmed to us that they reflected the best currently available estimates and judgments of such managements. We express no opinion as to such financial projections or the assumptions on which they are based. We have also assumed that there has been no material change in eSpeed and BGC Partners assets, financial condition, results of operations, businesses or prospects since the date of the most recent financial statements made available to us. We have assumed in all respects material to our analysis that eSpeed and BGC Partners will remain going concerns for all periods relevant to our analyses, that Agreement and all related agreements are valid, binding and enforceable agreements with respect to each of the parties thereto, that all of the representations and warranties contained in the Agreement and all related agreements are true and correct, that each party to the agreements will perform all of the covenants required to be performed by such party under the agreements, that the conditions precedent in the agreements are not waived, that the Merger will be a tax-free reorganization for federal income tax purposes, and that the Merger will be accounted for as a combination of entities under common control. Finally, with your consent, we have relied upon the advice the Special Committee and eSpeed have received from their accounting and tax advisors as to all accounting and tax matters relating to the Merger and the other transactions contemplated by the Agreement.

Our opinion is necessarily based on financial, economic, market and other conditions as in effect on, and the information made available to us as of, the date hereof. Events occurring after the date hereof could materially affect this opinion. We have not undertaken to update, revise, reaffirm or withdraw this opinion or otherwise comment upon events occurring after the date hereof. We are expressing no opinion herein as to what the value of eSpeed s Class A Common Stock will be at the time of the Merger or the price at which eSpeed s Class A Common Stock may trade at any time.

We have acted as financial advisor to the Special Committee of the Board of Directors of eSpeed in connection with the Merger and will receive a fee for our services, none of which is contingent upon consummation of the Merger. We will receive a fee for rendering this opinion. eSpeed has also agreed to indemnify us against certain liabilities arising out of our engagement.

In the ordinary course of our business as a broker-dealer, we may purchase securities from and sell securities to eSpeed, BGC, Cantor and their affiliates. We may also actively trade the equity or debt securities of eSpeed, BGC, Cantor or their affiliates for our own account and for the accounts of our customers and, accordingly, may at any time hold a long or short position in such securities.

Our opinion is directed to the Special Committee of the Board of Directors of eSpeed in connection with its consideration of the Merger and does not constitute a recommendation to any stockholder of eSpeed or BGC as

Table of Contents

to how such stockholder should vote at any meeting of stockholders called to consider and vote upon the Merger. Our opinion is directed only to the fairness, from a financial point of view, of the Exchange Ratios to the holders of eSpeed Class A Common Stock, except for Cantor and its affiliates, and does not address the underlying business decision of eSpeed to engage in the Merger, the relative merits of the Merger as compared to any other alternative business strategies that might exist for eSpeed or the effect of any other transaction in which eSpeed might engage. Our opinion is not to be quoted or referred to, in whole or in part, in a registration statement, prospectus, proxy statement or in any other document, nor shall this opinion be used for any other purposes, without Sandler O Neill s prior written consent.

Based upon and subject to the foregoing, it is our opinion, as of the date hereof, that the Exchange Ratios are fair to the holders of eSpeed Class A Common Stock, other than Cantor and its affiliates, from a financial point of view.

Very truly yours,

/s/ Sandler O Neill & Partners, L.P.

Table of Contents

Annex K

FORM OF

AMENDED AND RESTATED

CERTIFICATE OF INCORPORATION

OF

BGC PARTNERS, INC.

BGC Partners, Inc., a corporation organized and existing under the laws of the State of Delaware, pursuant to Sections 242 and 245 of the General Corporation Law of the State of Delaware, as the same may be amended and supplemented, hereby certifies as follows:

1. The name of this corporation is BGC Partners, Inc.

2. The original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on June 3, 1999 under the name Cantor Fitzgerald Electronic Commerce Holdings, Inc., an Amended and Restated Certificate of Incorporation of the Corporation was filed with the Secretary of the State of the State of Delaware on October 28, 1998, and an Amended and Restated Certificate of Incorporation with the Secretary of State of the State of Delaware on November 14, 1999 under the name eSpeed, Inc.

3. This Amended and Restated Certificate of Incorporation restates and amends the original Certificate of Incorporation to read in its entirety as follows:

ARTICLE I

NAME OF CORPORATION

The name of the corporation is BGC Partners, Inc. (hereinafter referred to as the *Corporation*).

ARTICLE II

REGISTERED OFFICE

The address of the Corporation s registered office in the State of Delaware is 1209 Orange Street, Wilmington, Delaware 19801, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE III

PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be incorporated and organized under the General Corporation Law of the State of Delaware (the *DGCL*).

ARTICLE IV

STOCK

Section 1. *Authorized Stock*. The total number of shares of all classes of stock which the Corporation shall have authority to issue is Six Hundred Fifty Million (650,000,000) shares, consisting of (i) Fifty Million (50,000,000) shares of Preferred Stock, par value one cent ($0.01) per share (the Preferred Stock), and (ii) Six Hundred Million (600,000,000) shares of Common Stock (the Common Stock), of which Five Hundred Million (500,000,000) shares are designated as Class A Common Stock, par value one cent ($0.01) per share (the

K-1

Table of Contents

Class A Common Stock), and One Hundred Million (100,000,000) shares are designated as Class B Common Stock (the Class B Common Stock), par value one cent ($0.01) per share. Shares of Class B Common Stock that are converted into shares of Class A Common Stock shall be retired and not reissued.

Section 2. *Preferred Stock*. The Preferred Stock may be issued from time to time by the Board of Directors of the Corporation (the *Board of Directors*) as shares of one or more classes or series. Subject to the provisions of this Amended and Restated Certificate of Incorporation (hereinafter referred to as this *Certificate of Incorporation*) and the limitations prescribed by law, the Board of Directors is expressly authorized by adopting resolutions to issue the shares, fix the number of shares and change the number of shares constituting any series, and to provide for or change the voting powers, designations, preferences and relative, participating, optional or other special rights, qualifications, limitations or restrictions thereof, including dividend rights (and whether dividends are cumulative), dividend rates, terms of redemption (including sinking fund provisions), redemption prices, conversion rights and liquidation preferences of the shares constituting any class or series of the Preferred Stock, without any further action or vote by the stockholders.

Section 3. *Common Stock*.

(a) *Voting*.

(1) At each annual or special meeting of stockholders, and for all other purposes, (A) each holder of record of shares of Class A Common Stock on the relevant record date shall be entitled to one (1) vote for each share of Class A Common Stock; and (B) each holder of record of shares of Class B Common Stock on the relevant record date shall be entitled to ten (10) votes for each share of Class B Common Stock.

(2) Except as otherwise required by law and this Certificate of Incorporation, and subject to the rights of holders of any series of Preferred Stock of the Corporation that may be issued from time to time, the holders of shares of Class A Common Stock and the holders of shares of Class B Common Stock shall vote together as a single class on all matters voted on by the stockholders of the Corporation.

(3) None of the holders of shares of Class A Common Stock or the holders of shares of Class B Common Stock shall have cumulative voting rights.

(b) *Dividends; Stock Splits*.

(1) Subject to the rights of the holders of shares of any series of Preferred Stock, and subject to any other provisions of this Certificate of Incorporation, holders of shares of Class A Common Stock and shares of Class B Common Stock shall be entitled to receive such dividends and other distributions in cash, stock or property of the Corporation as may be declared thereon by the Board of Directors from time to time out of assets or funds of the Corporation legally available therefor.

(2) If at any time a dividend or other distribution in cash or other property (other than dividends or other distributions payable in shares of Common Stock or other voting securities or options or warrants to purchase shares of Common Stock or other voting securities or securities convertible into or exchangeable for shares of Common Stock or other voting securities) is paid on the shares of Class A Common Stock or the shares of Class B Common Stock, a like dividend or other distribution in cash or other property shall also be paid on shares of Class A Common Stock or shares of Class B Common Stock, as the case may be, in an equal amount per share. If at any time a dividend or other distribution payable in shares of Common Stock or options or warrants to purchase shares of Common Stock or securities convertible into or exchangeable for shares of Common Stock is paid on shares of Class A Common Stock or shares of Class B Common Stock, a like dividend or other distribution shall also be paid on shares of Class A Common Stock or shares of Class B Common Stock, as the case may be; *provided*, *however*, that, for this purpose, if shares of Class A Common Stock or other voting securities, or options or warrants to purchase shares of Class A Common Stock or other voting securities or

Table of Contents

securities convertible into or exchangeable for shares of Class A Common Stock or other voting securities, are paid on shares of Class A Common Stock, and shares of Class B Common Stock or voting securities identical to the other securities paid on the shares of Class A Common Stock (except that voting securities paid on the Class B Common Stock may have up to ten (10) times the number of votes per share as voting securities paid on the Class A Common Stock) or options or warrants to purchase shares of Class B Common Stock or such other voting securities or securities convertible into or exchangeable for shares of Class B Common Stock or such other voting securities, are paid on shares of Class B Common Stock, in an equal amount per share, such dividend or other distribution shall be deemed to be a like dividend or distribution. In the case of any split, subdivision, combination or reclassification of shares of Class A Common Stock or Class B Common Stock, the shares of Class A Common Stock or Class B Common Stock, as the case may be, shall also be split, subdivided, combined or reclassified so that the number of shares of Class A Common Stock and Class B Common Stock outstanding immediately following such split, subdivision, combination or reclassification shall bear the same relationship to each other as did the number of shares of Class A Common Stock and Class B Common Stock outstanding immediately prior to such split, subdivision, combination or reclassification.

(c) *Conversion Rights*.

(1) *Voluntary Conversion of Class B Common Stock*. Each share of Class B Common Stock is convertible into one fully paid and non-assessable share of Class A Common Stock at any time at the option of the holder of such share of Class B Common Stock. In order to exercise the conversion privilege, the holder of any shares of Class B Common Stock to be converted shall present and surrender the certificate or certificates representing such shares (if certificated) during usual business hours at the principal executive offices of the Corporation, or if any agent for the registration or transfer of shares of Class B Common Stock is then duly appointed and acting (said agent being hereinafter called the *Transfer Agent*), then at the office of the Transfer Agent, accompanied by written notice that the holder elects to convert the shares of Class B Common Stock represented by such certificate or certificates, to the extent specified in such notice. Such notice shall also state the name or names (with addresses) in which the certificate or certificates for shares of Class A Common Stock which shall be issuable upon such conversion shall be issued. If required by the Corporation, any certificate for shares of Class B Common Stock surrendered for conversion shall be accompanied by instruments of transfer, in form satisfactory to the Corporation and the Transfer Agent, duly executed by the holder of such shares or his, her or its duly authorized representative. As promptly as practicable after the receipt of such notice and the surrender of the certificate or certificates representing such shares of Class B Common Stock as aforesaid, the Corporation shall issue and deliver at such office to such holder, or on his or her written order, a certificate or certificates for the number of full shares of Class A Common Stock issuable upon the conversion of such shares. Each conversion of shares of Class B Common Stock shall be deemed to have been effected on the date on which such notice shall have been received by the Corporation or the Transfer Agent, as applicable, and the certificate or certificates representing such shares shall have been surrendered (subject to receipt by the Corporation or the Transfer Agent, as applicable, within thirty (30) days thereafter of any required instruments of transfer as aforesaid), and the person or persons in whose name or names any certificate or certificates for shares of Class A Common Stock shall be issuable upon such conversion shall be deemed to have become on said date the holder or holders of record of the shares represented thereby.

(2) *Automatic Conversion of Class B Common Stock*. Each Share of Class B Common Stock will automatically convert into one (1) share of Class A Common Stock upon any sale, pledge or other transfer (a *Transfer*), whether or not for value, by the initial registered holder thereof, upon any Transfer, other than in each case any Transfer by the initial holder to (1) Cantor Fitzgerald, L.P., a Delaware limited partnership (*Cantor*), (2) any entity controlled by Cantor or by Howard W. Lutnick and (3) Howard W. Lutnick, his spouse, his estate, any of his descendants, any of his relatives, or any trust established for his benefit or for the benefit of his spouse, any of his descendants or any of his

Table of Contents

relatives. Notwithstanding anything to the contrary set forth herein, any holder of Class B Common Stock may pledge his, her or its shares of Class B Common Stock to a pledgee pursuant to a bona fide pledge of the shares as collateral security for indebtedness due to the pledgee so long as the shares are not transferred to or registered in the name of the pledgee. In the event of any pledge meeting these requirements, the pledged shares will not be converted automatically into shares of Class A Common Stock. If the pledged shares of Class B Common Stock may be, become subject to any foreclosure, realization or other similar action by the pledgee, they will be converted automatically into shares of Class A Common Stock upon the occurrence of that action.

(3) *Unconverted Shares*. If less than all of the shares of Class B Common Stock evidenced by a certificate or certificates surrendered to the Corporation (in accordance with such procedures as the Board of Directors may determine) are converted, the Corporation shall execute and deliver to or upon the written order of the holder of such certificate or certificates a new certificate or certificates evidencing the number of shares of Class B Common Stock which are not converted without charge to the holder.

(4) *No Conversion Rights of Class A Common Stock*. The Class A Common Stock shall not have any conversion rights.

(5) *Reservation of Shares of Class A Common Stock and Class B Common Stock*. The Corporation hereby reserves, and shall at all times reserve and keep available, out of its authorized and unissued shares of Class A Common Stock and Class B Common Stock, for the purposes of effecting conversions of Class B Common Stock and exchanges of Exchangeable Interests (as defined in the Agreement of Limited Partnership of BGC Holdings, L.P, a Delaware limited partnership (as amended from time to time, the *BGC Holdings Partnership Agreement*)) pursuant to the BGC Holdings Partnership Agreement, such number of duly authorized shares of Class A Common Stock and Class B Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Class B Common Stock and the exchange of all outstanding Exchangeable Limited Partnership Interests and Founding Partner Interests. The Corporation covenants that all the shares of Class A Common Stock and Class B Common Stock so issuable shall, when so issued, be duly and validly issued, fully paid and non-assessable.

(d) *Liquidation, Dissolution, etc*. In the event of any liquidation, dissolution or winding up (either voluntary or involuntary) of the Corporation, the holders of shares of Class A Common Stock and the holders of shares of Class B Common Stock shall be entitled to receive the assets and funds of the Corporation available for distribution, after payments to creditors and to the holders of any Preferred Stock of the Corporation that may at the time be outstanding, in proportion to the number of shares held by them, respectively.

(e) *Rights Otherwise Identical*. Except as expressly set forth in this Certificate of Incorporation, the rights of the holders of Class A Common Stock shall holders of Class B Common Stock shall be in all respects identical.

Section 4. *Options, Warrants and Other Rights*. The Board of Directors is authorized to create and issue options, warrants and other rights from time to time entitling the holders thereof to purchase securities or other property of the Corporation or any other entity, including any class or series of stock of the Corporation or any other entity and whether or not in connection with the issuance or sale of any securities or other property of the Corporation, for such consideration (if any), at such times and upon such other terms and conditions as may be determined or authorized by the Board of Directors and set forth in one or more agreements or instruments. Among other things and without limitation, such terms and conditions may provide for the following:

(A) adjusting the number or exercise price of such options, warrants or other rights or the amount or nature of the securities or other property receivable upon exercise thereof in the event of a subdivision or

Table of Contents

combination of any securities, or a recapitalization, of the Corporation, the acquisition by any natural person, company, corporation or similar entity, government, or political subdivision, agency, or instrumentality of a government (each, a *Person*) of beneficial ownership of securities representing more than a designated percentage of the voting power of any outstanding series, class or classes of securities, a change in ownership of the Corporation s securities or a merger, statutory share exchange, consolidation, reorganization, sale of assets or other occurrence relating to the Corporation or any of its securities, and restricting the ability of the Corporation to enter into an agreement with respect to any such transaction absent an assumption by another party or parties thereto of the obligations of the Corporation under such options, warrants or other rights;

(B) restricting, precluding or limiting the exercise, transfer or receipt of such options, warrants or other rights by any Person that becomes the beneficial owner of a designated percentage of the voting power of any outstanding series, class or classes of securities of the Corporation or any direct or indirect transferee of such a Person, or invalidating or voiding such options, warrants or other rights held by any such Person or transferee; and

(C) permitting the Board of Directors (or certain directors specified or qualified by the terms of the governing instruments of such options, warrants or other rights) to redeem, terminate or exchange such options, warrants or other rights.

This Section 4 of Article IV shall not be construed in any way to limit the power of the Board of Directors to create and issue options, warrants or other rights.

ARTICLE V

STOCKHOLDERS

Section 1. Meetings of stockholders shall be held at such place, within or without the State of Delaware, as may be designated by or in the manner provided in the Bylaws, or, if not so designated, at the registered office of the Corporation in the State of Delaware. Elections of directors need not be by written ballot unless and to the extent that the Bylaws so provide.

Section 2. Any action to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation.

Section 3. Except as otherwise required by law and subject to the rights of the holders of the Preferred Stock, special meetings of stockholders of the Corporation may be called only by the Chairman of the Board of Directors or, if the Chairman of the Board is unavailable, by any Chief Executive Officer of the Corporation or by the holders of a majority of the voting power of the Class B Common Stock.

ARTICLE VI

AMENDMENTS TO BYLAWS

In furtherance and not in limitation of the powers conferred by law, the Board of Directors is expressly authorized and empowered to make, adopt, amend and repeal the Bylaws of the Corporation pursuant to a resolution approved by a majority of the Board of Directors or by unanimous written consent. The stockholders may make, adopt, amend, and repeal the Bylaws of the Corporation only with, and in addition to any other vote required by law, the affirmative vote of the holders of a majority of the voting power of all outstanding shares of capital stock of the Corporation present in person or by proxy and entitled to vote thereon.

Table of Contents

ARTICLE VII

EXCULPATION

No director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as the same exists or may hereafter be amended. Any repeal or amendment or modification of this Article VII by the stockholders of the Corporation or by changes in applicable law, or the adoption of any provision of this Certificate of Incorporation inconsistent with this Article VII, will, to the extent permitted by applicable law, be prospective only (except to the extent such amendment or change in applicable law permits the Corporation to provide a broader limitation on a retroactive basis than permitted prior thereto), and will not adversely affect any limitation on the personal liability of any director of the Corporation at the time of such repeal or amendment or modification or adoption of such inconsistent provision.

ARTICLE VIII

INDEMNIFICATION AND INSURANCE

Section 1. *Right to Indemnification*. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a *proceeding*), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, to the fullest extent permitted by law, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys fees, judgments, fines, amounts paid or to be paid in settlement, and excise taxes or penalties arising under the Employee Retirement Income Security Act of 1974) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; *provided*, *however*, that, except as provided in this Article VIII, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors. The right to indemnification conferred in this Section 1 of Article VIII shall be a contract right and shall include the right to be paid by the Corporation the expenses, including attorneys fees, incurred in defending any such proceeding in advance of its final disposition; *provided*, *however*, that, if the DGCL requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section or otherwise. The Corporation may, by action of the Board of Directors, provide indemnification to employees and agents of the Corporation with the same scope and effect as the foregoing indemnification of directors and officers.

Section 2. *Right of Claimant to Bring Suit*. If a claim under Section 1 of Article VIII hereof is not paid in full by the Corporation within thirty (30) days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting

Table of Contents

such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the DGCL for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

Section 3. *Non-Exclusivity of Rights*. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article VIII shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise. No amendment or other modification of this Article VIII shall in any way diminish or adversely affect the rights of any director, officer, employee or agent of the Corporation in respect of any occurrence or matter arising prior to any such repeal or modification.

Section 4. *Insurance*. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL.

ARTICLE IX

CORPORATE OPPORTUNITY

Section 1. To the greatest extent permitted by law and except as otherwise set forth in this Certificate of Incorporation:

(a) None of any Cantor Company or any of their respective Representatives shall owe any fiduciary duty to, nor shall any Cantor Company or any of their respective Representatives be liable for breach of fiduciary duty to, the Corporation or any of its stockholders. In taking any action, making any decision or exercising any discretion with respect to the Corporation, each Cantor Company and their respective Representatives shall be entitled to consider such interests and factors as it desires, including its own interests and those of its Representatives, and shall have no duty or obligation (i) to give any consideration to the interests of or factors affecting the Corporation, the Corporation s stockholders or any other person, or (ii) to abstain from participating in any vote or other action of the Corporation, or any board, committee or similar body of any of the foregoing. None of any Cantor Company or any of their respective Representatives shall violate a duty or obligation to the Corporation merely because such person s conduct furthers such person s own interest, except as specifically set forth in Section 1(c) of this Article IX. Any Cantor Company or any of their respective Representatives may lend money to, and transact other business with, the Corporation and its Representatives. The rights and obligations of any such person who lends money to, contracts with, borrows from or transacts business with the Corporation or any of its Representatives are the same as those of a person who is not involved with the Corporation or any of its Representatives, subject to other applicable law. No transaction between any Cantor Company or any of their respective Representatives, on the one hand, with the Corporation or any of its Representatives, on the other hand, shall be voidable solely because any Cantor Company or any of their respective Representatives has a direct or indirect interest in the transaction. Nothing herein contained shall prevent any Cantor Company or any of their respective Representatives from conducting any other business, including serving as an officer, director, employee, or stockholder of any corporation, partnership or limited liability

Table of Contents

company, a trustee of any trust, an executor or administrator of any estate, or an administrative official of any other business or not-for-profit entity, or from receiving any compensation in connection therewith.

(b) None of any Cantor Company or any of their respective Representatives shall owe any duty to refrain from (i) engaging in the same or similar activities or lines of business as the Corporation and its Representatives, or (ii) doing business with any of the Corporation s or its Representatives clients or customers. In the event that any Cantor Company or any of their respective Representatives acquires knowledge of a potential transaction or matter that may be a Corporate Opportunity for any Cantor Company or any of their respective Representatives, on the one hand, and the Corporation or any of its Representatives, on the other hand, such Cantor Company or Representatives, as the case may be, shall have no duty to communicate or offer such Corporate Opportunity to the Corporation or any of its Representatives, subject to Section 1(c) of this Article IX. None of any Cantor Company or any of their respective Representatives shall be liable to the Corporation, any of its stockholders or any of its Representatives for breach of any fiduciary duty by reason of the fact that any Cantor Company or any of their respective Representatives pursues or acquires such Corporate Opportunity for itself, directs such Corporate Opportunity to another person or does not present such Corporate Opportunity to the Corporation or any of its Representatives, subject to Section 1(c) of this Article IX.

(c) If a third party presents a Corporate Opportunity to a person who is both a Representative of the Corporation and a Representative of a Cantor Company, expressly and solely in such person s capacity as a Representative of the Corporation, and such person acts in good faith in a manner consistent with the policy that such Corporate Opportunity belongs to the Corporation, then such person shall (i) be deemed to have fully satisfied and fulfilled any fiduciary duty that such person has to the Corporation as a Representative of the Corporation with respect to such Corporate Opportunity, (ii) shall not be liable to the Corporation, any of its stockholders or any of its Representatives for breach of fiduciary duty by reason of such person s action or inaction with respect to such Corporate Opportunity, (iii) shall be deemed to have acted in good faith and in a manner that such person reasonably believed to be in, and not opposed to, the Corporation s best interests, and (iv) shall be deemed not to have breached such person s duty of loyalty to the Corporation and its stockholders and not have derived an improper personal benefit therefrom; *provided* that a Cantor Company may pursue such Corporate Opportunity if the Company shall decide not to pursue such Corporate Opportunity. If a Corporate Opportunity is not presented to a person who is both a Representative of the Corporation and a Representative of a Cantor Company and, expressly and solely in such person s capacity as a Representative of the Corporation, such person shall not be obligated to present such Corporate Opportunity to the Corporation or to act as if such Corporate Opportunity belongs to the Corporation, and such person shall (i) be deemed to have fully satisfied and fulfilled any fiduciary duty that such person has to the Corporation as a Representative of the Corporation with respect to such Corporate Opportunity, (ii) shall not be liable to the Corporation, any of its stockholders or any of its Representatives for breach of fiduciary duty by reason of such person s action or inaction with respect to such Corporate Opportunity, (iii) shall be deemed to have acted in good faith and in a manner that such person reasonably believed to be in, and not opposed to, the Corporation s best interests, and (iv) shall be deemed not to have breached such person s duty of loyalty to the Corporation and its stockholders and not have derived an improper personal benefit therefrom.

(d) For purposes of this Article IX:

(1) *Cantor Company* means Cantor and any of its affiliates (other than, if applicable, the Corporation and its affiliates).

(2) *Representatives* means, with respect to any person, the directors, officers, employees, general partners or managing member of such person.

(3) *Corporate Opportunity* means any business opportunity that the Corporation is financially able to undertake, that is, from its nature, in the Corporation s lines of business, is of practical advantage to the Corporation and is one in which the Corporation has an interest or a reasonable expectancy, and in which, by embracing the opportunities, the self-interest of Cantor or their respective Representatives will be brought into conflict with the Corporation s self-interest.

Table of Contents

Section 2. Neither the alteration, amendment, termination, expiration or repeal of this Article IX nor the adoption of any provision inconsistent with this Article IX shall eliminate or reduce the effect of this Article IX in respect of any matter occurring, or any cause of action that, but for this Article IX, would accrue or arise, prior to such alteration, amendment, termination, expiration, repeal or adoption.

ARTICLE X

AMENDMENTS TO CERTIFICATE OF INCORPORATION

The Corporation reserves the right at any time and from time to time to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by law and by this Certificate of Incorporation, and all rights, preferences and privileges of whatsoever nature conferred upon stockholders, directors or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the right reserved in this Article X; *provided*, *however*, that (a) any amendment or repeal of Article VII or Article VIII of this Certificate of Incorporation shall not adversely affect any right or protection existing hereunder in respect of any act or omission occurring prior to such amendment or repeal; (b) the rights of any series of Preferred Stock shall not be amended after the issuance of shares of such series of Preferred Stock except in accordance with the terms of the certificate of designations for such series of Preferred Stock and the requirements of applicable law; (c) the automatic conversion provisions set forth in Section 3(c) of Article IV herein may not be amended, altered, changed or repealed without the approval of the holders of a majority of the voting power of all outstanding shares of Class A Common Stock; (d) the number of authorized shares of Class B Common Stock may not be increased or decreased and the rights of the Class B Common Stock (including the rights set forth in this clause (d)) may not be amended, altered, changed or repealed, without the approval of the holders of a majority of the voting power of all outstanding shares of Class B Common Stock; and (e) except as set forth in the following sentence, the rights of the Class A Common Stock (including the rights set forth in this clause (e)) may not be amended, altered, changed or repealed in a manner that is disproportionately materially adverse as compared to other holders of capital stock of the Corporation, without the approval of the holders of a majority of the voting power of all of the outstanding shares of Class A Common Stock. The number of authorized shares of Class A Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all outstanding shares of capital stock of the Corporation entitled to vote thereon, irrespective of Section 242(b)(2) of the DGCL.

Table of Contents

IN WITNESS WHEREOF, BGC Partners, Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by [•], its [•], this [•] day of [•], 2007.

BGC PARTNERS, INC.

Name:

Title:

Table of Contents

Annex L

FORM OF

AMENDED AND RESTATED

BYLAWS

OF BGC PARTNERS, INC.

Incorporated under the Laws of the State of Delaware

ARTICLE I

OFFICES AND RECORDS

SECTION 1. *Registered Office*. The registered office of BGC Partners, Inc. (the *Corporation*) in the State of Delaware shall be established and maintained at the office of The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801, County of New Castle, and The Corporation Trust Company shall be the registered agent of the Corporation in charge thereof.

SECTION 2. *Other Offices*. Except as otherwise required by the laws of the State of Delaware, the Corporation may have an office or offices and keep its books, documents and papers outside of the State of Delaware at such place or places as from time to time may be determined by the Board of Directors, the Chairman of the Board, any Chief Executive Officer or any President.

SECTION 3. *Books and Records*. The books and records of the Corporation may be kept outside the State of Delaware at such place or places as may from time to time be designated by the Board of Directors.

ARTICLE II

STOCKHOLDERS

SECTION 1. *Annual Meeting*. The annual meeting of the stockholders of the Corporation shall be held on such date, at such time and at such place within or without the State of Delaware as may be designated by the Board of Directors, for the purpose of electing Directors and for the transaction of such other business as may be properly brought before the meeting. The Board of Directors may determine that an annual meeting shall not be held at any place, but shall instead be held solely by means of remote communication.

SECTION 2. *Special Meetings*. Except as otherwise provided in the Certificate of Incorporation, a special meeting of the stockholders of the Corporation may be called at any time by the Chairman of the Board; or, if the Chairman of the Board is unavailable, by any Chief Executive Officer of the Corporation or by the holders of a majority of the voting power of the Class B Common Stock. Any special meeting of the stockholders shall be held on such date, at such time and at such place within or without the State of Delaware as the Board of Directors or the officer calling the meeting may designate. The Board of Directors may determine that any special meeting of stockholders shall not be held at any particular place, but shall instead be held solely by means of remote communication. At a special meeting of the stockholders, no business shall be transacted and no corporate action shall be taken other than that stated in the notice of the meeting unless all of the stockholders are present in person or by proxy, in which case any and all business may be transacted at the meeting even though the meeting is held without notice.

SECTION 3. *Notice of Stockholder Business and Nominations*.

Nominations of persons for election to the Board of Directors of the Corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders by or at the direction of the Board of Directors or by any stockholder of the Corporation who was a stockholder of record on the record date established for the giving of notice of such meeting, who is entitled to vote at the meeting and who complies with the notice procedures set forth in these Bylaws.

L-1

Table of Contents

In the event the Corporation calls a special meeting of stockholders for the purpose of electing Directors, nominations of persons for election to the Board of Directors may be made by or at the direction of the Board of Directors or by any stockholder of the Corporation who was a stockholder of record at the record date for the giving of notice of such meeting, who was a stockholder of record on the record date established for the giving of notice of such meeting, who is entitled to vote at the meeting and who complies with the notice procedures set forth in these Bylaws.

For nominations or other business to be properly brought by a stockholder, the stockholder must have given timely advance notice in writing to the Secretary of the Corporation. To be timely, a stockholder s notice shall be delivered to, or mailed and received at, the principal executive offices of the Corporation (i) with respect to an annual meeting of the stockholders of the Corporation, not later than the close of business on the one hundred and twentieth (120th) day prior to the first anniversary of the date of the Corporation s proxy statement for the preceding year s annual meeting; *provided*, *however*, that in the event that the date of the annual meeting is more than thirty (30) days before or more than sixty (60) days after such anniversary date, notice by the stockholder to be timely must be so delivered not later than the close of business on the later of the one hundred and twentieth (120th) day prior to the date of such proxy statement or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation; and (ii) with respect to a special meeting of stockholders of the Corporation for the election of Directors, not later than the close of business on the tenth (10th) day following the day on which notice of the date of the special meeting was mailed to stockholders of the Corporation as provided in Section 4 of this Article II hereof or public disclosure of the date of the special meeting was made, whichever first occurs. Any such notice to be given by a stockholder shall set forth: (a) as to each person whom the stockholder proposes to nominate for election as a Director, all information relating to such person that is required to be disclosed in solicitations of proxies for election of Directors in an election contest, or is otherwise required, in each case pursuant to Regulation 14A under the U.S. Securities Exchange Act of 1934, as amended (the *Exchange Act*), and Rule 14a-11 thereunder (including such person s written consent to being named in the proxy statement as a nominee and to serve as a Director if elected); (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of such business, the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made, (x) the name and address of such stockholder, as they appear on the Corporation s books, and of such beneficial owner and (y) the class and number of shares of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner.

Only such persons who are nominated in accordance with the procedures set forth in these Bylaws shall be eligible to serve as Directors and only such business shall be conducted at a meeting of the stockholders as shall have been brought before the meeting in accordance with these Bylaws. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the Chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth herein and, if any proposed nomination or business is not in compliance with procedures set forth herein, to declare that such defective proposal or nomination shall be disregarded.

Nothing herein shall be deemed to limit or restrict the procedures required to be followed in connection with stockholder proposals to be brought before a meeting of stockholders pursuant to Regulation 14A under the Exchange Act and Rule 14a-8 thereunder.

SECTION 4. *Notice of Meetings*. Except as otherwise provided in these Bylaws or by law, a written notice of each meeting of the stockholders shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder of the Corporation entitled to vote at such meeting at the stockholder s address as it appears on the records of the Corporation or by a form of electronic transmission to which the stockholder has consented. The notice shall state the place, date and hour of the meeting and the means of remote

Table of Contents

communications, if any, by which stockholders and proxy holders may be deemed to be present in person and may vote at such meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to a stockholder at his or her address as it appears on the records of the Corporation.

SECTION 5. *Quorum*. At any meeting of the stockholders, the holders of a majority of the voting power of all outstanding shares of stock of the Corporation entitled to vote at such meeting, present in person or represented by proxy, shall constitute a quorum of the stockholders for all purposes, unless the representation of a larger number of shares shall be required by law, by the Certificate of Incorporation or by these Bylaws, in which case the representation of the number of shares so required shall constitute a quorum; *provided* that at any meeting of the stockholders at which the holders of any class of stock of the Corporation shall be entitled to vote separately as a class, the holders of a majority of the voting power of all outstanding shares of such class, present in person or represented by proxy, shall constitute a quorum for purposes of such class vote unless the representation of a larger number of shares of such class shall be required by law, by the Certificate of Incorporation or by these Bylaws.

SECTION 6. *Adjourned Meetings*. Whether or not a quorum shall be present in person or represented at any meeting of the stockholders, the holders of a majority of the voting power of all outstanding shares of stock of the Corporation present in person or represented by proxy and entitled to vote at such meeting may adjourn from time to time; *provided*, *however*, that if the holders of any class of stock of the Corporation are entitled to vote separately as a class upon any matter at such meeting, any adjournment of the meeting in respect of action by such class upon such matter shall be determined by the holders of a majority of the voting power of all outstanding shares of such class present in person or represented by proxy and entitled to vote at such meeting. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, thereof, or the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and may vote at such adjourned meeting, are announced at the meeting at which the adjournment is taken or are otherwise publicly announced or disclosed. At the adjourned meeting the stockholders, or the holders of any class of stock entitled to vote separately as a class, as the case may be, may transact any business which might have been transacted by them at the original meeting. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the adjourned meeting. The Board of Directors may postpone any meeting of stockholders or cancel any special meeting of stockholders by public announcement or disclosure prior to the time scheduled for the meeting.

SECTION 7. *Organization*. The Chairman of the Board; or, in the absence of the Chairman of the Board, a Chief Executive Officer; or, in the absence of a Chief Executive Officer, a President; or, in the absence of the Chairman of the Board, a Chief Executive Officer and a President, a Vice Chairman, a Chief Operating Officer or a Vice President shall call all meetings of the stockholders to order, and shall act as Chairman of such meetings. In the absence of the Chairman of the Board and all of the Chief Executive Officers, the Presidents, the Vice Chairmen, the Chief Operating Officers and the Vice Presidents, the holders of a majority of the voting power of the outstanding shares of stock of the Corporation present in person or represented by proxy and entitled to vote at such meeting shall elect a Chairman.

The Secretary of the Corporation shall act as secretary of all meetings of the stockholders; but in the absence of the Secretary, the chairman of the meeting may appoint any person to act as secretary of the meeting. It shall be the duty of the Secretary of the Corporation to prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of stockholders entitled to vote at such meeting, arranged in alphabetical order and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting or, if not so specified, at the place where the meeting is to be held, for the ten (10) days next preceding the meeting, to the examination of any stockholder, for any purpose germane

Table of Contents

to the meeting, during ordinary business hours, and shall be produced and kept at the time and place of the meeting during the whole time thereof and subject to the inspection of any stockholder who may be present.

SECTION 8. *Voting*. Except as otherwise provided in the Certificate of Incorporation or by law, each stockholder shall be entitled to one vote for each share of the capital stock of the Corporation registered in the name of such stockholder upon the books of the Corporation. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for him or her by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. When directed by the presiding officer or upon the demand of any stockholder, the vote upon any matter before a meeting of stockholders shall be by ballot. Except as otherwise provided by law or by the Certificate of Incorporation, (a) Directors shall be elected by a plurality of the voting power present in person or represented by proxy at a meeting of stockholders by the stockholders entitled to vote in the election, and (b) whenever any corporate action, other than the election of Directors is to be taken, it shall be authorized by a majority of the votes cast at a meeting of stockholders by the stockholders entitled to vote thereon.

Shares of the capital stock of the Corporation belonging to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of Directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes.

SECTION 9. *Inspectors of Election; Opening and Closing the Polls*. When required by law or directed by the presiding officer or upon the demand of any stockholder entitled to vote, but not otherwise, the polls shall be opened and closed, the proxies and ballots shall be received and taken in charge, and all questions touching the qualification of voters, the validity of proxies and the acceptance or rejection of votes shall be decided at any meeting of the stockholders by one or more Inspectors who may be appointed by the Board of Directors before the meeting, or if not so appointed, shall be appointed by the presiding officer at the meeting. If any person so appointed fails to appear or act, the vacancy may be filled by appointment in like manner. The chairman of the meeting may fix and announce at the meeting the date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting.

SECTION 10. *Stockholder Action by Written Consent*. Any action to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing (which may be a telecopy, telegram, cablegram or other electronic transmission), setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation. To be written, signed and dated for the purpose of these Bylaws, a telegram, cablegram or other electronic transmission shall set forth or be delivered with information from which the Corporation can determine (i) that it was transmitted by a stockholder or proxy holder or a person authorized to act for a stockholder or proxy holder, and (ii) the date on which it was transmitted, such date being deemed the date on which the consent was signed. Prompt notice of the taking of any corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

ARTICLE III

BOARD OF DIRECTORS

SECTION 1. *Number and Tenure*. The powers of the Corporation shall be exercised by or under the authority of, and the business and affairs of the Corporation shall be managed under the direction of, the Board of Directors. Each Director shall be elected at the annual meeting of the stockholders, and shall hold office for the full term for which such Director is elected and until such Director s successor shall have been duly elected and qualified or until his earlier death or resignation or removal in accordance with the Certificate of Incorporation or these Bylaws; *provided* that, a majority of the Directors of the Corporation shall qualify as independent

Table of Contents

Directors in accordance with the published listing requirements of the national securities exchange on which the Class A Common Stock, par value $0.01 per share, of the Corporation, is listed (the *Class A Common Stock*).

The number of Directors that shall constitute the whole Board of Directors shall be fixed by, and may be increased or decreased from time to time by, the Board of Directors. Newly created Directorships resulting from any increase in the number of Directors and any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other cause shall be filled by the affirmative vote of a majority of the remaining Directors then in office, even though less than a quorum of the Board of Directors. Any Director elected in accordance with the preceding sentence shall hold office for the remainder of the full term in which the new Directorship was created or the vacancy occurred and until such Director s successor shall have been elected and qualified or until his earlier death, resignation or removal. No decrease in the number of Directors constituting the Board of Directors shall shorten the term of any incumbent Director.

SECTION 2. *Qualifications*. Directors need not be residents of the State of Delaware or stockholders of the Corporation.

SECTION 3. *Removal, Vacancies and Additional Directors*. The stockholders may, at any special meeting the notice of which shall state that it is called for that purpose, remove, with or without cause, any Director and fill the vacancy; *provided* that whenever any Director shall have been elected by the holders of any class of stock of the Corporation voting separately as a class under the provisions of the Certificate of Incorporation, such Director may be removed and the vacancy filled only by the holders of that class of stock voting separately as a class. Vacancies caused by any such removal and not filled by the stockholders at the meeting at which such removal shall have been made, or any vacancy caused by the death or resignation of any Director or for any other reason, and any newly created Directorship resulting from any increase in the authorized number of Directors, may be filled by the affirmative vote of a majority of the Directors then in office, although less than a quorum, and any Director so elected to fill any such vacancy or newly created Directorship shall hold office until his or her successor is elected and qualified or until his or her earlier resignation or removal.

When one or more Directors shall resign effective at a future date, a majority of the Directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each Director so chosen shall hold office as herein provided in connection with the filling of other vacancies.

SECTION 4. *Place of Meeting*. The Board of Directors may hold its meetings in such place or places in the State of Delaware or outside the State of Delaware as the Board from time to time shall determine.

SECTION 5. *Regular Meetings*. Regular meetings of the Board of Directors shall be held at such times and places as the Board from time to time by resolution shall determine. No notice shall be required for any regular meeting of the Board of Directors; but a copy of every resolution fixing or changing the time or place of regular meetings shall be mailed to every Director at least five (5) days, or if by telecopy, telegram, cablegram or other electronic transmission or overnight courier at least two (2) days, before the first meeting held in pursuance thereof.

SECTION 6. *Special Meetings*. Special meetings of the Board of Directors shall be held whenever called by direction of the Chairman of the Board, or, if the Chairman of the Board is unavailable, by a Vice Chairman acting jointly with a President. The person or persons authorized to call special meetings of the Board of Directors may fix the place and time of the meetings.

Notice of the day, hour and place of holding of each special meeting shall be given by mailing the same at least two (2) days before the meeting or by causing the same to be transmitted by telephone, facsimile, telegram or other electronic transmission at least one (1) day before the meeting to each Director. Unless otherwise indicated in the notice thereof, any and all business other than an amendment of these Bylaws may be transacted

Table of Contents

at any special meeting, and an amendment of these Bylaws may be acted upon if the notice of the meeting shall have stated that the amendment of these Bylaws is one of the purposes of the meeting. At any meeting at which every Director shall be present, even though without any notice, any business may be transacted, including the amendment of these Bylaws.

SECTION 7. *Quorum*. Subject to the provisions of Section 3 of this Article III, a majority of the members of the Board of Directors in office (but, unless the Board shall consist solely of one Director, in no case less than one-third of the total number of Directors nor less than two Directors) shall constitute a quorum for the transaction of business and the vote of the majority of the Directors present at any meeting of the Board of Directors at which a quorum is present shall be the act of the Board of Directors. If at any meeting of the Board there is less than a quorum present, a majority of those present may adjourn the meeting from time to time.

SECTION 8. *Organization*. The Chairman of the Board; or, in the absence of the Chairman of the Board, a Chief Executive Officer; or, in the absence of a Chief Executive Officer, a President; or, in the absence of the Chairman of the Board, a Chief Executive Officer and a President, a Vice Chairman, a Chief Operating Officer or a Vice President shall preside at all meetings of the Board of Directors. In the absence of the Chairman of the Board and all of the Chief Executive Officers, the Presidents, the Vice Chairmen, the Chief Operating Officers and the Vice Presidents, a Chairman shall be elected from the Directors present. The Secretary of the Corporation shall act as secretary of all meetings of the Directors; but in the absence of the Secretary of the Corporation, the chairman of the meeting may appoint any person to act as secretary of the meeting.

SECTION 9. *Committees*. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the Directors of the Corporation; *provided* that, the members of any such committee shall comply with the independence requirements of such committee, if any, in accordance with the published listing requirements of the national securities exchange on which the Class A Common Stock is listed. The Board may designate one or more Directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member. Any such committee, to the extent provided by resolution passed by a majority of the whole Board, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and the affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to amending the Certificate of Incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation s property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of a dissolution, or amending these Bylaws; and unless such resolution, these Bylaws, or the Certificate of Incorporation expressly so provide, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock.

A majority of any committee may determine its action and fix the time and place of its meetings, unless the Board shall otherwise provide. Notice of such meetings shall be given to each member of the committee in the manner provided for in this Article III. The Board shall have power at any time to fill vacancies in, to change the membership of, or to dissolve any such committee; *provided* that, the Board shall not have the power to dissolve any committee required by the published listing requirements of the national securities exchange on which the Class A Common Stock is listed. Nothing herein shall be deemed to prevent the Board from appointing one or more committees consisting in whole or in part of persons who are not Directors of the Corporation; *provided*, *however*, that no such committee shall have or may exercise any authority of the Board.

Each Committee shall keep regular minutes of its meetings and, on no less than a quarterly basis, report such minutes to the Board of Directors.

Table of Contents

SECTION 10. *Conference Telephone Meetings*. Unless otherwise restricted by the Certificate of Incorporation or by these Bylaws, the members of the Board of Directors or any committee designated by the Board, may participate in a meeting of the Board or such committee, as the case may be, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and such participation shall constitute presence in person at such meeting.

SECTION 11. *Consent of Directors or Committee in Lieu of Meeting*. Unless otherwise restricted by the Certificate of Incorporation or by these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board or committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or the electronic transmission or transmissions are filed with the minutes of proceedings of the Board or committee, as the case may be.

ARTICLE IV

OFFICERS

SECTION 1. *Officers*. The officers of the Corporation may include a Chairman of the Board (who can be a Chief Executive Officer), one or more Chief Executive Officers, one or more Presidents, one or more Vice Chairmen, one or more Chief Operating Officers, one or more Chief Financial Officers, one or more Vice Presidents, and one or more Secretaries, and such additional officers, if any, as shall be elected by the Board of Directors pursuant to the provisions of Section 10 of this Article IV. The Chairman of the Board, one or more Chief Executive Officers, one or more Presidents, one or more Vice Chairmen, one or more Chief Operating Officers, one or more Chief Financial Officer, one or more Vice Presidents and one or more Secretaries shall be elected by the Board of Directors at its first meeting after each annual meeting of the stockholders. The failure to hold such election shall not of itself terminate the term of office of any officer. All officers shall hold office at the pleasure of the Board of Directors. Any officer may resign at any time upon written notice to the Corporation. Officers may, but need not, be Directors. Any number of offices may be held by the same person.

All officers, agents and employees shall be subject to removal, with or without cause, at any time by the Board of Directors. The removal of an officer without cause shall be without prejudice to his or her contract rights, if any. The election or appointment of an officer shall not of itself create contract rights. All agents and employees other than officers elected by the Board of Directors shall also be subject to removal, with or without cause, at any time by the officers appointing them.

Any vacancy caused by the death, resignation or removal of any officer, or otherwise, may be filled by the Board of Directors, and any officer so elected shall hold office at the pleasure of the Board of Directors.

In addition to the powers and duties of the officers of the Corporation as set forth in these Bylaws, the officers shall have such authority and shall perform such duties as from time to time may be determined by the Board of Directors.

SECTION 2. *Powers and Duties of the Chairman of the Board*. The Chairman of the Board shall preside at all meetings of the stockholders and at all meetings of the Board of Directors and shall have such other powers and perform such other duties as may from time to time be assigned by these Bylaws or by the Board of Directors.

SECTION 3. *Powers and Duties of the Chief Executive Officers*. Each Chief Executive Officer shall serve as a chief executive officer of the Corporation, have general charge and control of all the Corporation s business and affairs and, subject to the control of the Board of Directors, shall have all powers and shall perform all duties incident to the office of Chief Executive Officer. In the absence of the Chairman of the Board, a Chief Executive Officer shall preside at all meetings of the stockholders and at all meetings of the Board of Directors.

In addition, the Chief Executive Officer(s) shall have such other powers and perform such other duties as may from time to time be assigned by these Bylaws or by the Board of Directors.

Table of Contents

SECTION 4. *Powers and Duties of the Presidents*. Each President shall, subject to the control of the Board of Directors, have all powers and shall perform all duties incident to the office of President. In the absence of the Chairman of the Board and a Chief Executive Officer, a President shall preside at all meetings of the stockholders and at all meetings of the Board of Directors. In the absence of a Chief Executive Officer, a President shall be the chief executive officer of the Corporation, have general charge and control of all the Corporation s business and affairs and shall have such other powers and perform such other duties as may from time to time be assigned by these Bylaws or by the Board of Directors.

SECTION 5. *Powers and Duties of the Vice Chairmen*. Each Vice Chairman shall have such powers and perform such duties as may from time to time be assigned by these Bylaws or by the Chairman of the Board or the Board of Directors.

SECTION 6. *Powers and Duties of the Chief Operating Officers*. Each Chief Operating Officer shall, subject to the control of the Board of Directors, have all powers and shall perform all duties incident to the office of Chief Operating Officer. In addition, the Chief Operating Officer(s) shall have such other powers and perform such other duties as may from time to time be assigned by these Bylaws or by the Board of Directors, the Chairman of the Board, a Chief Executive Officer or a President.

SECTION 7. *Powers and Duties of the Chief Financial Officers*. Each Chief Financial Officer shall, subject to the control of the Board of Directors, have all powers and shall perform all duties incident to the office of Chief Financial Officer. In addition, the Chief Financial Officer(s) shall have such other powers and perform such other duties as may from time to time be assigned by these Bylaws or by the Board of Directors, the Chairman of the Board, a Chief Executive Officer or a President.

SECTION 8. *Powers and Duties of the Vice Presidents*. Each Vice President shall have all powers and shall perform all duties incident to the office of Vice President and shall have such other powers and perform such other duties as may from time to time be assigned by these Bylaws or by the Board of Directors, the Chairman of the Board, the a Executive Officer or a President.

SECTION 9. *Powers and Duties of the Secretaries*. Each Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the stockholders in books provided for that purpose. The Secretary shall attend to the giving or serving of all notices of the Corporation; shall have custody of the corporate seal of the Corporation and shall affix the same to such documents and other papers as the Board of Directors, the Chairman of the Board, the Chief Executive Officer(s) or the President(s) shall authorize and direct; shall have charge of the stock certificate books, transfer books and stock ledgers and such other books and papers as the Board of Directors, the Chairman of the Board, the Chief Executive Officer(s) or the President(s) shall direct, all of which shall at all reasonable times be open to the examination of any Director, upon application, at the office of the Corporation during business hours. Each Secretary shall have all powers and shall perform all duties incident to the office of Secretary and shall also have such other powers and shall perform such other duties as may from time to time be assigned by these Bylaws or by the Board of Directors, the Chairman of the Board, a Chief Executive Officer or a President.

SECTION 10. *Additional Officers*. The Board of Directors may from time to time elect such other officers (who may but need not be Directors), including a Controller, Treasurer, Assistant Treasurers, Assistant Secretaries and Assistant Controllers, as the Board may deem advisable and such officers shall have such authority and shall perform such duties as may from time to time be assigned by the Board of Directors, the Chairman of the Board, a Chief Executive Officer or a President.

The Board of Directors may from time to time by resolution delegate to any Assistant Treasurer or Assistant Treasurers any of the powers or duties herein assigned to the Treasurer; and may similarly delegate to any Assistant Secretary or Assistant Secretaries any of the powers or duties herein assigned to the Secretary.

Table of Contents

SECTION 11. *Giving of Bond by Officers*. All officers of the Corporation, if required to do so by the Board of Directors, shall furnish bonds to the Corporation for the faithful performance of their duties, in such penalties and with such conditions and security as the Board shall require.

SECTION 12. *Voting Upon Securities*. Unless otherwise ordered by the Board of Directors, each of the Chairman of the Board, any Chief Executive Officer, any President or any Vice President shall have full power and authority on behalf of the Corporation to give consent in writing or to attend and to act and to vote, or in the name of the Corporation to execute proxies to vote, at any meeting of holders of interests in any corporation, partnership, joint venture, limited liability company, trust, employee benefit plan or other enterprise in which the Corporation may hold an interest, and at any such meeting shall possess and may exercise, in person or by proxy, any and all rights, powers and privileges incident to the ownership of such interests. The Board of Directors may from time to time, by resolution, confer like powers upon any other person or persons.

SECTION 13. *Compensation of Officers*. The officers of the Corporation shall be entitled to receive such compensation for their services as shall from time to time be determined by the Board of Directors.

ARTICLE V

INDEMNIFICATION OF OFFICERS AND DIRECTORS

SECTION 1. *Right to Indemnification*. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a *proceeding*), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law (*DGCL*), as the same exists or may hereafter be amended (but, in the case of any such amendment, to the fullest extent permitted by law, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than said law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys fees, judgments, fines, amounts paid or to be paid in settlement, and excise taxes or penalties arising under the Employee Retirement Income Security Act of 1974) reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators; *provided*, *however*, that, except as provided in this Article V, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors. The right to indemnification conferred in this Section 1 of Article V shall be a contract right and shall include the right to be paid by the Corporation the expenses, including attorneys fees, incurred in defending any such proceeding in advance of its final disposition; *provided*, *however*, that, if the DGCL requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding, shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Section or otherwise. The Corporation may, by action of the Board of Directors, provide indemnification to employees and agents of the Corporation with the same scope and effect as the foregoing indemnification of directors and officers.

SECTION 2. *Indemnification Requests*. To obtain indemnification under this Article V, a claimant shall submit to the Corporation a written request, including therein or therewith such documentation and information

Table of Contents

as are reasonably available to the claimant and are reasonably necessary to determine whether and to what extent the claimant is entitled to indemnification. Upon written request by a claimant for indemnification pursuant to the first sentence of this Section 2 of Article V, a determination, if required by applicable law, with respect to the claimant s entitlement thereto shall be made as follows: (1) if requested by the claimant, by Independent Counsel (as hereinafter defined), or (2) if no request is made by the claimant for a determination by Independent Counsel, (i) by the Board of Directors by a majority vote of a quorum consisting of Disinterested Directors (as hereinafter defined), or (ii) if a quorum of the Board of Directors consisting of Disinterested Directors is not obtainable or, even if obtainable, such quorum of Disinterested Directors so directs, by Independent Counsel in a written opinion to the Board of Directors, a copy of which shall be delivered to the claimant, or (iii) if a quorum of Disinterested Directors so directs, by the stockholders of the Corporation. In the event that the determination of entitlement to indemnification is to be made by Independent Counsel at the request of the claimant, the Independent Counsel shall be selected by the Board of Directors unless there shall have occurred within two years prior to the date of the commencement of the action, suit or proceeding for which indemnification is claimed a Change of Control as defined in the 1999 Long-Term Incentive Plan of eSpeed, Inc., in which case the Independent Counsel shall be selected by the claimant unless the claimant shall request that such selection be made by the Board of Directors. If it is so determined that the claimant is entitled to indemnification, payment to the claimant shall be made within ten (10) days after such determination.

SECTION 3. *Right of Claimant to Bring Suit*. If a claim under Section 1 of this Article V is not paid in full by the Corporation within thirty (30) days after a written claim pursuant to Section 2 of this Article V has been received by the Corporation, the claimant may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the DGCL as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than it permitted the Corporation to provide prior to such amendment) for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

SECTION 4. *Binding Determination*. If a determination shall have been made pursuant to Section 2 of this Article V hereof that the claimant is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding commenced pursuant to Section 3 of this Article V hereof.

SECTION 5. *Preclusion*. The Corporation shall be precluded from asserting in any judicial proceeding commenced pursuant to Section 3 of this Article V that the procedures and presumptions of this Article V are not valid, binding and enforceable and shall stipulate in such proceeding that the Corporation is bound by all the provisions of this Article V.

SECTION 6. *Non-Exclusivity of Rights*. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article V shall not be exclusive of any other right that any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or Disinterested Directors or otherwise. No amendment or other modification of this Article V shall in any way diminish or adversely affect the rights of any director, officer, employee or agent of the Corporation in respect of any occurrence or matter arising prior to any such repeal or modification.

Table of Contents

SECTION 7. *Insurance*. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the DGCL. To the extent that the Corporation maintains any policy or policies providing such insurance, each such director or officer, and each such agent or employee to which rights to indemnification have been granted as provided in Section 8 of this Article V shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage thereunder for any such director, officer, employee or agent.

SECTION 8. *Indemnification for Employees and Agents*. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification, and rights to be paid by the Corporation the expenses incurred in defending any proceeding in advance of its final disposition, to any employee or agent of the Corporation to the fullest extent of the provisions of this Article V with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

SECTION 9. *Illegality*. If any provision or provisions of this Article V shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Article V (including, without limitation, each portion of this Article V containing any such provision held to be invalid, illegal or unenforceable, that is not itself held to be invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and (b) to the fullest extent possible, the provisions of this Article V (including, without limitation, each such portion of this Article V containing any such provision held to be invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

SECTION 10. *Definitions*. For purposes of this Article V:

(1) *Disinterested Director* means a director of the Corporation who is not and was not a party to the matter in respect of which indemnification is sought by the claimant.

(2) *Independent Counsel* means a law firm, a member of a law firm, or an independent practitioner that is experienced in matters of corporation law and shall include any person who, under the applicable standards of professional conduct then prevailing, would not have a conflict of interest in representing either the Corporation or the claimant in an action to determine the claimant s rights under this Article V.

SECTION 11. *Notices*. Any notice, request or other communication required or permitted to be given to the Corporation under this Article V shall be in writing and either delivered in person or sent by telecopy, telex, telegram, overnight mail or courier service, or certified or registered mail, postage prepaid, return receipt requested, to the Secretary of the Corporation and shall be effective only upon receipt by the Secretary.

ARTICLE VI

STOCK; SEAL; FISCAL YEAR

SECTION 1. *Certificates For Shares of Stock*. Certificates for shares of stock of the Corporation shall be in such form, not inconsistent with the Certificate of Incorporation, as shall be approved by the Board of Directors. All certificates shall be signed by the Chairman of the Board, a Chief Executive Officer, a President, a Vice Chairman, a Chief Operating Officer or a Vice President and by a Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, and shall not be valid unless so signed. Any such signature may be a facsimile.

In case any officer or officers who shall have signed any such certificate or certificates shall cease to be such officer or officers of the Corporation, whether because of death, resignation, removal or otherwise, before such certificate or certificates shall have been delivered by the Corporation, such certificate or certificates may

Table of Contents

nevertheless be issued and delivered as though the person or persons who signed such certificate or certificates had not ceased to be such officer or officers of the Corporation.

All certificates for shares of stock shall be consecutively numbered as the same are issued. The name of the person owning the shares represented thereby with the number of such shares and the date of issue thereof shall be entered on the books of the Corporation.

Except as hereinafter provided, all certificates surrendered to the Corporation for transfer shall be canceled, and no new certificates shall be issued until former certificates for the same number of shares have been surrendered and canceled.

SECTION 2. *Lost, Stolen or Destroyed Certificates*. Whenever a person owning a certificate for shares of stock of the Corporation alleges that it has been lost, stolen or destroyed, he or she shall file in the office of the Corporation an affidavit setting forth, to the best of his or her knowledge and belief, the time, place and circumstances of the loss, theft or destruction, and, if required by the Board of Directors, a bond of indemnity or other indemnification sufficient in the opinion of the Board of Directors to indemnify the Corporation and its agents against any claim that may be made against it or them on account of the alleged loss, theft or destruction of any such certificate or the issuance of a new certificate in replacement therefor. Thereupon the Corporation may cause to be issued to such person a new certificate in replacement for the certificate alleged to have been lost, stolen or destroyed. Upon the stub of every new certificate so issued shall be noted the fact of such issue and the number, date and the name of the registered owner of the lost, stolen or destroyed certificate in lieu of which the new certificate is issued.

SECTION 3. *Transfer of Shares*. Shares of stock of the Corporation shall be transferred on the books of the Corporation by the holder thereof, in person or by his or her attorney duly authorized in writing, and in the case of shares of stock represented by certificates, upon surrender and cancellation of such certificates for the number of shares of stock to be transferred, except as provided in Section 2 of this Article VI.

SECTION 4. *Regulations*. The Board of Directors shall have power and authority to make such rules and regulations as it may deem expedient concerning the issue, transfer and registration of shares of stock of the Corporation.

SECTION 5. *Record Date.* In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting or to receive payment of any dividend or other distribution or allotment of any rights, or to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, as the case may be, the Board of Directors may fix, in advance, a record date, which shall not be (i) more than sixty (60) nor less than ten (10) days before the date of such meeting, or (ii) in the case of corporate action to be taken by consent in writing without a meeting, prior to, or more than ten (10) days after, the date upon which the resolution fixing the record date is adopted by the Board of Directors, or (iii) more than sixty (60) days prior to any other action.

If no record date is fixed, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent is delivered to the Corporation; and the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided*, *however*, that the Board of Directors may fix a new record date for the adjourned meeting.

Table of Contents

SECTION 6. *Dividends*. Subject to the provisions of the Certificate of Incorporation, the Board of Directors shall have power to declare and pay dividends upon shares of stock of the Corporation, but only out of funds available for the payment of dividends as provided by law.

Subject to the provisions of the Certificate of Incorporation, any dividends declared upon the stock of the Corporation shall be payable on such date or dates as the Board of Directors shall determine. If the date fixed for the payment of any dividend shall in any year fall upon a legal holiday, then the dividend payable on such date shall be paid on the next day not a legal holiday.

SECTION 7. *Corporate Seal*. The Board of Directors shall provide a suitable seal, containing the name of the Corporation, which seal shall be kept in the custody of the Secretary. A duplicate of the seal may be kept and be used by any officer of the Corporation designated by the Board of Directors, the Chairman of the Board, a Chief Executive Officer or a President.

SECTION 8. *Fiscal Year*. The fiscal year of the Corporation shall be such fiscal year as the Board of Directors from time to time by resolution shall determine.

ARTICLE VII

MISCELLANEOUS PROVISIONS

SECTION 1. *Checks, Notes, Etc*. All checks, drafts, bills of exchange, acceptances, notes or other obligations or orders for the payment of money shall be signed and, if so required by the Board of Directors, countersigned by such officers of the Corporation and/or other persons as the Board of Directors from time to time shall designate.

Checks, drafts, bills of exchange, acceptances, notes, obligations and orders for the payment of money made payable to the Corporation may be endorsed for deposit to the credit of the Corporation with a duly authorized depository by the Chairman of the Board, any Chief Executive Officer, any President, any Vice President, any Treasurer and/or such other officers or persons as the Board of Directors from time to time may designate.

SECTION 2. *Loans*. No loans and no renewals of any loans shall be contracted on behalf of the Corporation except as authorized by the Board of Directors. When authorized to do so, any officer or agent of the Corporation may effect loans and advances for the Corporation from any bank, trust company or other institution or from any firm, corporation or individual, and for such loans and advances may make, execute and deliver promissory notes, bonds or other evidences of indebtedness of the Corporation. When authorized so to do, any officer or agent of the Corporation may pledge, hypothecate or transfer, as security for the payment of any and all loans, advances, indebtedness and liabilities of the Corporation, any and all stocks, securities and other personal property at any time held by the Corporation, and to that end may endorse, assign and deliver the same. Such authority may be general or confined to specific instances.

SECTION 3. *Contracts*. Except as otherwise provided in these Bylaws or by law or as otherwise directed by the Board of Directors, the Chairman of the Board, any Chief Executive Officer, any President, any Vice Chairmen, any Chief Operating Officer or any Vice President shall be authorized to execute and deliver, in the name and on behalf of the Corporation, all agreements, bonds, contracts, deeds, mortgages, and other instruments, either for the Corporation s own account or in a fiduciary or other capacity, and the seal of the Corporation, if appropriate, shall be affixed thereto by any of such officers or the Secretary or an Assistant Secretary. The Board of Directors, the Chairman of the Board, any Chief Executive Officer, any President, any Vice Chairman, any Chief Operating Officer or any Vice President designated by the Board of Directors may authorize any other officer, employee or agent to execute and deliver, in the name and on behalf of the Corporation, agreements, bonds, contracts, deeds, mortgages, and other instruments, either for the Corporation s own account or in a fiduciary or other capacity, and, if appropriate, to affix the seal of the Corporation thereto. The grant of such authority by the Board or any such officer may be general or confined to specific instances.

Table of Contents

SECTION 4. *Waivers of Notice*. Whenever any notice whatever is required to be given by law, by the Certificate of Incorporation or by these Bylaws to any person or persons, a waiver thereof in writing or via electronic transmission by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent thereto.

SECTION 5. *Controlled Company*. The Corporation shall not elect to be treated as a controlled company as defined in the published listing requirements of the national securities exchange on which the Class A Common Stock is listed.

ARTICLE VIII

AMENDMENTS

These Bylaws and any amendment thereof may be altered, amended or repealed, or new Bylaws may be adopted, by the Board of Directors at any regular or special meeting pursuant to a resolution approved by a majority of the Board of Directors or by unanimous written consent of the members of the Board of Directors; but, except as otherwise provided in the Certificate of Incorporation, these Bylaws and any amendment thereof may be altered, amended or repealed or new Bylaws may be adopted by the holders of a majority of the voting power of all outstanding stock of the Corporation, present in person or by proxy and entitled to vote at any annual meeting or at any special meeting; *provided* that, in the case of any special meeting, that notice of such proposed alteration, amendment, repeal or adoption is included in the notice of the meeting.

Table of Contents

ANNEX M

FORM OF

BGC PARTNERS, INC.

AMENDED AND RESTATED LONG TERM INCENTIVE PLAN

1. *Purpose*. The purpose of this Amended and Restated Long Term Incentive Plan (the Plan) of BGC Partners, Inc., a Delaware corporation (formerly known as eSpeed, Inc.) (the Company), is to advance the interests of the Company and its stockholders by providing a means to attract, retain, motivate and reward directors, officers, employees and consultants of and service providers to the Company and its affiliates and to enable such persons to acquire or increase a proprietary interest in the Company, thereby promoting a closer identity of interests between such persons and the Company s stockholders.

The Plan was initially adopted by the Company in 1999 as the eSpeed, Inc. 1999 Long Term Incentive Plan, and was subsequently amended and restated in 2003. The eSpeed, Inc. 1999 Long Term Incentive Plan has been further amended and restated, and, effective as of the closing of the merger between eSpeed, Inc. and BGC Partners, Inc. (the Effective Date), will be renamed the BGC Partners, Inc. Amended and Restated Long Term Incentive Plan.

2. *Definitions*. The definitions of awards under the Plan, including Options, SARs (including Limited SARs), Restricted Stock, Deferred Stock, Stock granted as a bonus or in lieu of other awards, Dividend Equivalents and Other Stock-Based Awards, are as set forth in Section 6 of the Plan. Such awards, together with any other right or interest granted to a Participant under the Plan, are termed Awards. For purposes of the Plan, the following additional terms shall be defined as set forth below.

(a) Award Agreement means any written agreement, contract, notice or other instrument or document evidencing an Award.

(b) Beneficiaries means the person, persons, trust or trusts which have been designated by a Participant in his or her most recent written beneficiary designation filed with the Committee to receive the benefits specified under the Plan upon such Participant s death or, if there is no designated Beneficiary or surviving designated Beneficiary, then the person, persons, trust or trusts entitled by will or the laws of descent and distribution to receive such benefits.

(c) Board means the Board of Directors of the Company.

(d) A Change in Control shall be deemed to have occurred on:

(i) the date of the acquisition by any person (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act), excluding the Company, its Parent or any Subsidiary or any employee benefit plan sponsored by any of the foregoing, of beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of shares of common stock of the Company representing 30% of either (x) the total number of the then outstanding shares of common stock, or (y) the total voting power with respect to the election of directors; or

(ii) the date the individuals who constitute the Board upon the Effective Date (the Incumbent Board) cease for any reason to constitute at least a majority of the members of the Board; provided, however, that any individual becoming a director subsequent to the Effective Date whose election, or nomination for election by the Company s stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than any individual whose nomination for election to Board membership was not endorsed by the Company s management prior to, or at the time of, such individual s initial nomination for election) shall be, for purposes of this clause (ii), considered as though such person were a member of the Incumbent Board; or

(iii) the consummation of a merger, consolidation, recapitalization, reorganization, sale or disposition of all or a substantial portion of the Company s assets, a reverse stock split of outstanding voting securities, or the issuance of shares of stock of the Company in connection with the acquisition

Table of Contents

of the stock or assets of another entity; provided, however, that a Change in Control shall not occur under this clause (iii) if consummation of the transaction would result in at least 70% of the total voting power represented by the voting securities of the Company (or, if not the Company, the entity that succeeds to all or substantially all of the Company s business) outstanding immediately after such transaction being beneficially owned (within the meaning of Rule 13d-3 promulgated pursuant to the Exchange Act) by at least 75% of the holders of outstanding voting securities of the Company immediately prior to the transaction, with the voting power of each such continuing holder relative to other such continuing holders not substantially altered in the transaction.

(e) Code means the Internal Revenue Code of 1986, as amended from time to time. References to any provision of the Code shall be deemed to include regulations thereunder and successor provisions and regulations thereto.

(f) Committee means the committee appointed by the Board to administer the Plan, or if no committee is appointed, the Board.

(g) Exchange Act means the Securities Exchange Act of 1934, as amended from time to time. References to any provision of the Exchange Act shall be deemed to include rules thereunder and successor provisions and rules thereto.

(h) Fair Market Value means, with respect to Stock, Awards, or other property, the fair market value of such Stock, Awards, or other property determined by such methods or procedures as shall be established from time to time by the Committee; provided, however, that, if the Stock is listed on a national securities exchange or quoted in an interdealer quotation system, the Fair Market Value of such Stock on a given date shall be based upon the closing market price or, if unavailable, the average of the closing bid and asked prices per share of the Stock at the end of regular trading on such date (or, if there was no trading or quotation in the Stock on such date, on the next preceding date on which there was trading or quotation) as provided by one of such organizations.

(i) ISO means any Option intended to be and designated as an incentive stock option within the meaning of Section 422 of the Code.

(j) Parent means any person (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) that controls the Company on the Effective Date, either directly or indirectly through one or more intermediaries.

(k) Participant means a person who, at a time when eligible under Section 5 hereof, has been granted an Award under the Plan.

(l) Rule 16b-3 means Rule 16b-3, as from time to time in effect and applicable to the Plan and Participants, promulgated by the Securities and Exchange Commission under Section 16 of the Exchange Act, and shall be deemed to include any successor provisions thereto.

(m) Stock means the Company s Class A Common Stock, and such other securities as may be substituted for Stock pursuant to Section 4(c).

(n) Subsidiary means each entity that is controlled by the Company or a Parent, either directly or indirectly through one or more intermediaries.

3. *Administration*.

(a) *Authority of the Committee*. Except as otherwise provided below, the Plan shall be administered by the Committee. The Committee shall have full and final authority to take the following actions, in each case subject to and consistent with the provisions of the Plan:

(i) to select persons to whom Awards may be granted;

(ii) to determine the type or types of Awards to be granted to each such person;

Table of Contents

(iii) to determine the number of Awards to be granted, the number of shares of Stock to which an Award will relate, the terms and conditions of any Award granted under the Plan (including, but not limited to, any exercise price, grant price or purchase price, any restriction or condition, any schedule for lapse of restrictions or conditions relating to transferability or forfeiture, exercisability or settlement of an Award, and waivers or accelerations thereof, performance conditions relating to an Award (including, without limitation, performance conditions relating to Awards not intended to be governed by Section 7(e) and waivers and modifications thereof), based in each case on such considerations as the Committee shall determine), and all other matters to be determined in connection with an Award;

(iv) to determine whether, to what extent and under what circumstances an Award may be settled, or the exercise price of an Award may be paid, in cash, Stock, other Awards, or other property, or an Award may be canceled, forfeited, or surrendered;

(v) to determine whether, to what extent and under what circumstances cash, Stock, other Awards or other property payable with respect to an Award will be deferred either automatically or at the election of the Committee or at the election of the Participant;

(vi) to determine the restrictions, if any, to which Stock received upon exercise or settlement of an Award shall be subject (including lock-ups and other transfer restrictions), including, without limitation, conditioning the delivery of such Stock upon the execution by the Participant of any agreement providing for such restrictions;

(vii) to prescribe the form of each Award Agreement, which need not be identical for each Participant;

(viii) to adopt, amend, suspend, waive and rescind such rules and regulations and appoint such agents as the Committee may deem necessary or advisable to administer the Plan;

(ix) to correct any defect or supply any omission or reconcile any inconsistency in the Plan and to construe and interpret the Plan and any Award, rules and regulations, Award Agreement or other instrument hereunder; and

(x) to make all other decisions and determinations as may be required under the terms of the Plan or as the Committee may deem necessary or advisable for the administration of the Plan.

Other provisions of the Plan notwithstanding, the Board shall perform the functions of the Committee for purposes of granting awards to directors who serve on the Committee, and, to the extent permitted under applicable law and regulation, the Board may perform any function of the Committee under the Plan for any other purpose, including without limitation for the purpose of ensuring that transactions under the Plan by Participants who are then subject to Section 16 of the Exchange Act in respect of the Company are exempt under Rule 16b-3. In any case in which the Board is performing a function of the Committee under the Plan, each reference to the Committee herein shall be deemed to refer to the Board, except where the context otherwise requires.

(b) *Manner of Exercise of Committee Authority*. Any action of the Committee with respect to the Plan shall be taken in its sole discretion and shall be final, conclusive and binding on all persons, including the Company, its Parent and Subsidiaries, Participants, any person claiming any rights under the Plan from or through any Participant and stockholders, except to the extent the Committee may subsequently modify, or take further action not consistent with, its prior action. If not specified in the Plan, the time at which the Committee must or may make any determination shall be determined by the Committee, and any such determination may thereafter be modified by the Committee (subject to Section 8(e)). The express grant of any specific power to the Committee, and the taking of any action by the Committee, shall not be construed as limiting any power or authority of the Committee. Except as provided under Section 7(e), the Committee may delegate to officers or managers of the Company the authority, subject to such terms as the Committee shall determine, to perform such functions as the Committee may determine, to the extent permitted under applicable law and regulation.

Table of Contents

(c) *Limitation of Liability; Indemnification*. Each member of the Committee and any officer or employee of the Company acting on behalf of the Committee shall be entitled to, in good faith, rely or act upon any report or other information furnished to him by any officer or other employee of the Company, its Parent or Subsidiaries, the Company s independent certified public accountants or any executive compensation consultant, legal counsel or other professional retained by the Company to assist in the administration of the Plan. No member of the Committee, or any officer or employee of the Company acting on behalf of the Committee, shall be personally liable for any action, determination or interpretation taken or made in good faith with respect to the Plan, and all members of the Committee and any officer or employee of the Company acting on its behalf shall, to the extent permitted by law, be fully indemnified and protected by the Company with respect to any such action, determination or interpretation.

4. *Stock Subject to Plan*.

(a) *Amount of Stock Reserved*. The total number of shares of Stock that may be subject to outstanding Awards, determined immediately after the grant of any Award, shall not exceed the greater of 40 million shares, or such number that equals 15% of the total number of shares of all classes of the Company s common stock outstanding at the effective time of such grant, provided that the aggregate number of shares of Stock delivered pursuant to the exercise or settlement of Awards granted under this Plan shall not exceed 60 million shares, all of which may be shares of Stock subject to ISOs. If an Award valued by reference to Stock may only be settled in cash, the number of shares to which such Award relates shall be deemed to be Stock subject to such Award for purposes of this Section 4(a). Any shares of Stock delivered pursuant to an Award may consist, in whole or in part, of authorized and unissued shares, treasury shares or shares acquired in the market on a Participant s behalf.

(b) *Annual Per-Participant Limitations*. During any calendar year, no Participant may be granted Awards that may be settled by delivery of more than 5 million shares of Stock, subject to adjustment as provided in Section 4(c). In addition, with respect to Awards that may be settled in cash (in whole or in part), 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 the number of shares of Stock set forth in the preceding sentence at the date of grant or the date of settlement of Award. This provision sets forth two separate limitations, so that Awards that may be settled solely by delivery of Stock will not operate to reduce the amount of cash-only Awards, and vice versa; nevertheless, Awards that may be settled in Stock or cash must not exceed either limitation.

(c) *Adjustments*. In the event that the Committee shall determine that any recapitalization, forward or reverse split, reorganization, merger, consolidation, spin-off, combination, repurchase or exchange of Stock or other securities, Stock dividend or other special, large and non-recurring dividend or distribution (whether in the form of cash, securities or other property), liquidation, dissolution, or other similar corporate transaction or event, affects the Stock such that an adjustment is appropriate in order to prevent dilution or enlargement of the rights of Participants under the Plan, then the Committee shall, in such manner as it may deem equitable, adjust any or all of (i) the number and kind of shares of Stock reserved and available for Awards under Section 4(a), including shares reserved for ISOs, (ii) the number and kind of shares of Stock specified in the Annual Per-Participant Limitations under Section 4(b), (iii) the number and kind of shares of outstanding Restricted Stock or other outstanding Awards in connection with which shares have been issued, (iv) the number and kind of shares that may be issued in respect of other outstanding Awards and (v) the exercise price, grant price or purchase price relating to any Award (or, if deemed appropriate, the Committee may make provision for a cash payment, including, without limitation, payment based upon the Award s intrinsic (i.e., in-the-money) value, if any, with respect to any outstanding Award). In addition, the Committee shall make appropriate adjustments in the terms and conditions of, and the criteria included in, Awards (including, without limitation, cancellation of unexercised or outstanding Awards, with or without the payment of any consideration therefor, substitution of Awards using stock of a successor or other entity) in recognition of unusual or nonrecurring events (including, without limitation, events described in the preceding sentence and events constituting a Change in Control) affecting the Company, its Parent or any

Table of Contents

Subsidiary or the financial statements of the Company, its Parent or any Subsidiary, or in response to changes in applicable law, regulation, or accounting principles.

(d) *Repricing*. As to any Award granted as an Option or an SAR, the Committee may not, without prior stockholder approval to the extent required under applicable law or regulation, subsequently reduce the exercise or grant price relating to such Award, or take such other action as may be considered a repricing of such Award under generally accepted accounting principles.

5. *Eligibility*. Directors, officers and employees of the Company or its Parent or any Subsidiary, and persons who provide consulting or other services to the Company, its Parent or any Subsidiary deemed by the Committee to be of substantial value to the Company or its Parent and Subsidiaries, are eligible to be granted Awards under the Plan. In addition, persons who have been offered employment by, or agreed to become a director of, the Company, its Parent or any Subsidiary, and persons employed by an entity that the Committee reasonably expects to become a Subsidiary of the Company, are eligible to be granted an Award under the Plan.

6. *Specific Terms of Awards*.

(a) *General*. Awards may be granted on the terms and conditions set forth in this Section 6. In addition, the Committee may impose on any Award or the exercise or settlement thereof such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall determine, including terms requiring forfeiture of Awards in the event of termination of employment or service of the Participant. Except as expressly provided by the Committee (including for purposes of complying with the requirements of the Delaware General Corporation Law relating to lawful consideration for the issuance of shares), no consideration other than services will be required as consideration for the grant (but not the exercise or settlement) of any Award.

(b) *Options*. The Committee is authorized to grant options to purchase Stock (including reload options automatically granted to offset specified exercises of Options) on the following terms and conditions (Options):

(i) *Exercise Price*. The exercise price of one share of Stock purchasable under an Option shall be determined by the Committee; provided, however, that the price of one share of Stock which may be purchased upon the exercise of an Option shall not be less than 100% of the Fair Market Value of one share of Stock on the date of grant of such Option.

(ii) *Time and Method of Exercise*. The Committee shall determine the time or times at which an Option may be exercised in whole or in part, the methods by which such exercise price may be paid or deemed to be paid, the form of such payment, including, without limitation, cash, Stock, other Awards or awards granted under other Company plans or other property (including notes or other contractual obligations of Participants to make payment on a deferred basis, such as through cashless exercise arrangements, to the extent permitted under applicable law and regulation), and the methods by which Stock will be delivered or deemed to be delivered to Participants.

(iii) *Termination of Employment*. The Committee shall determine the period, if any, during which Options shall be exercisable following a Participant s termination of his employment relationship with the Company, its Parent or any Subsidiary. Unless otherwise determined by the Committee, (i) during any period that an Option is exercisable following termination of employment, it shall be exercisable only to the extent it was exercisable upon such termination of employment, and (ii) if such termination of employment is for cause, as determined by the Committee unless the Participant s employment agreement otherwise defines cause (in which case, cause shall be determined in accordance with the employment agreement), all Options held by the Participant shall immediately terminate.

(iv) *Sale of the Company*. Upon the consummation of any transaction whereby the Company (or any successor to the Company or substantially all of its business) becomes a wholly-owned subsidiary

Table of Contents

of any corporation, all Options outstanding under the Plan shall terminate (after taking into account any accelerated vesting pursuant to Section 7(f)), with or without the payment of any consideration therefor, including, without limitation, payment of the intrinsic (i.e., in-the-money) value, if any, of such Options, as determined by the Committee pursuant to Section 4(c), unless such other corporation shall continue or assume the Plan as it relates to Options then outstanding (in which case, such other corporation shall be treated as the Company for all purposes hereunder, and, pursuant to Section 4(c), the Committee of such other corporation shall make appropriate adjustment in the number and kind of shares of Stock subject thereto and the exercise price per share thereof to reflect consummation of such transaction). If the Plan is not to be so assumed, the Company shall notify the Participant of consummation of such transaction at least ten days in advance thereof.

(v) *Options Providing Favorable Tax Treatment*. The Committee may grant Options that may afford a Participant with favorable treatment under the tax laws applicable to such Participant, including, but not limited to ISOs. If Stock acquired by exercise of an ISO is sold or otherwise disposed of within two years after the date of grant of the ISO or within one year after the transfer of such Stock to the Participant, the holder of the Stock immediately prior to the disposition shall promptly notify the Company in writing of the date and terms of the disposition and shall provide such other information regarding the disposition as the Company may reasonably require in order to secure any deduction then available against the Company s or any other corporation s taxable income. The Company may impose such procedures as it determines may be necessary to ensure that such notification is made. Each Option granted as an ISO shall be designated as such in the Award Agreement relating to such Option.

(c) *Stock Appreciation Rights*. The Committee is authorized to grant stock appreciation rights on the following terms and conditions (SARs):

(i) *Right to Payment*. An SAR shall confer on the Participant to whom it is granted a right to receive, upon exercise thereof, the excess of (A) the Fair Market Value of one share of Stock on the date of exercise (or, if the Committee shall so determine in the case of any such right other than one related to an ISO, the Fair Market Value of one share at any time during a specified period before or after the date of exercise), over (B) the grant price of the SAR as determined by the Committee as of the date of grant of the SAR, which shall be not less than 100% of the Fair Market Value of one share of Stock on the date of grant.

(ii) *Other Terms*. The Committee shall determine the time or times at which an SAR may be exercised in whole or in part, the method of exercise, method of settlement, form of consideration payable in settlement, method by which Stock will be delivered or deemed to be delivered to Participants, whether or not an SAR shall be in tandem with any other Award, and any other terms and conditions of any SAR. Limited SARs that may only be exercised upon the occurrence of a Change in Control may be granted on such terms, not inconsistent with this Section 6(c), as the Committee may determine. Limited SARs may be either freestanding or in tandem with other Awards.

(d) *Restricted Stock*. The Committee is authorized to grant Stock that is subject to restrictions based on continued employment on the following terms and conditions (Restricted Stock):

(i) *Grant and Restrictions*. Restricted Stock shall be subject to such restrictions on transferability and other restrictions, if any, as the Committee may impose, which restrictions may lapse separately or in combination at such times, under such circumstances, in such installments, or otherwise, as the Committee may determine. Except to the extent restricted under the terms of the Plan and any Award Agreement relating to the Restricted Stock, a Participant granted Restricted Stock shall have all of the rights of a stockholder, including, without limitation, the right to vote Restricted Stock or the right to receive dividends thereon.

(ii) *Forfeiture*. Except as otherwise determined by the Committee, upon termination of employment or service (as determined under criteria established by the Committee) during the

Table of Contents

applicable restriction period, Restricted Stock that is at that time subject to restrictions shall be forfeited and reacquired by the Company; provided, however, that the Committee may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to Restricted Stock will be waived in whole or in part in the event of termination resulting from specified causes.

(iii) *Certificates for Stock*. Restricted Stock granted under the Plan may be evidenced in such manner as the Committee shall determine. If certificates representing Restricted Stock are registered in the name of the Participant, such certificates may bear an appropriate legend referring to the terms, conditions, and restrictions applicable to such Restricted Stock, and the Company may retain physical possession of the certificate, in which case the Participant shall be required to have delivered a stock power to the Company, endorsed in blank, relating to the Restricted Stock.

(iv) *Dividends*. Dividends paid on Restricted Stock shall be either paid at the dividend payment date in cash or in shares of unrestricted Stock having a Fair Market Value equal to the amount of such dividends, or the payment of such dividends shall be deferred and/or the amount or value thereof automatically reinvested in additional Restricted Stock, other Awards, or other investment vehicles, as the Committee shall determine or permit the Participant to elect. Stock distributed in connection with a Stock split or Stock dividend, and other property distributed as a dividend, shall be subject to restrictions and a risk of forfeiture to the same extent as the Restricted Stock with respect to which such Stock or other property has been distributed, unless otherwise determined by the Committee.

(e) *Deferred Stock*. The Committee is authorized to grant units representing the right to receive Stock at a future date subject to the following terms and conditions (Deferred Stock):

(i) *Award and Restrictions*. Delivery of Stock will occur upon expiration of the deferral period specified for an Award of Deferred Stock by the Committee (or, if permitted by the Committee, as elected by the Participant). In addition, Deferred Stock shall be subject to such restrictions as the Committee may impose, if any, which restrictions may lapse at the expiration of the deferral period or at earlier specified times, separately or in combination, in installments or otherwise, as the Committee may determine.

(ii) *Forfeiture*. Except as otherwise determined by the Committee, upon termination of employment or service (as determined under criteria established by the Committee) during the applicable deferral period or portion thereof to which forfeiture conditions apply (as provided in the Award Agreement evidencing the Deferred Stock), all Deferred Stock that is at that time subject to such forfeiture conditions shall be forfeited; provided, however, that the Committee may provide, by rule or regulation or in any Award Agreement, or may determine in any individual case, that restrictions or forfeiture conditions relating to Deferred Stock will be waived in whole or in part in the event of termination resulting from specified causes.

(f) *Bonus Stock and Awards in Lieu of Cash Obligations*. The Committee is authorized to grant Stock as a bonus, or to grant Stock or other Awards in lieu of Company obligations to pay cash under other plans or compensatory arrangements.

(g) *Dividend Equivalents*. The Committee is authorized to grant awards entitling the Participant to receive cash, Stock, other Awards or other property equal in value to dividends paid with respect to a specified number of shares of Stock (Dividend Equivalents). Dividend Equivalents may be awarded on a free-standing basis or in connection with any other Award. The Committee may provide that Dividend Equivalents shall be paid or distributed when accrued or shall be deemed to have been reinvested in additional Stock, Awards or other investment vehicles, and be subject to such restrictions on transferability and risks of forfeiture, as the Committee may specify. Dividend Equivalents may be paid, distributed or accrued in connection with any Award, whether or not vested.

(h) *Other Stock-Based Awards*. The Committee is authorized, subject to limitations under applicable law and regulation, to grant such other Awards that may be denominated or payable in, valued in whole or

Table of Contents

in part by reference to, or otherwise based on, or related to, Stock and factors that may influence the value of Stock, as deemed by the Committee to be consistent with the purposes of the Plan, including, without limitation, convertible or exchangeable debt securities, other rights convertible or exchangeable into Stock, purchase rights for Stock, Awards with value and payment contingent upon performance of the Company or any other factors designated by the Committee and Awards valued by reference to the book value of Stock or the value of securities of or the performance of specified Subsidiaries (Other Stock-Based Awards). An award granted under the BGC Holdings, L.P. Participation Plan that involves a partnership interest in BGC Holdings, L.P. that is exchangeable for or otherwise represents a right to acquire Stock in accordance with Section 4.5 of that plan shall also constitute an Other Stock-Based Award within the meaning of this Section 6(h). The Committee shall determine the terms and conditions of Other Stock-Based Awards. Stock issued pursuant to such an Award in the nature of a purchase right granted under this Section 6(h) shall be purchased for such consideration, paid for at such times, by such methods, and in such forms, including, without limitation, cash, Stock, other Awards, or other property, as the Committee shall determine. Cash awards, as an element of or supplement to any other Award under the Plan, may be granted pursuant to this Section 6(h).

7. *Certain Provisions Applicable to Awards*.

(a) *Stand-Alone, Additional, Tandem, and Substitute Awards*. Awards granted under the Plan may, as determined by the Committee, be granted either alone or in addition to, in tandem with or in substitution for any other Award granted under the Plan or any award granted under any other plan of the Company, its Parent or Subsidiaries or any business entity to be acquired by the Company or a Subsidiary, or any other right of a Participant to receive payment from the Company, its Parent or Subsidiaries. Awards granted in addition to or in tandem with other Awards or awards may be granted either as of the same time as or a different time from the grant of such other Awards or awards.

(b) *Term of Awards*. The term of each Award shall be for such period as may be determined by the Committee; provided, however, that (i) in no event shall the term of any ISO or SAR granted in tandem therewith exceed a period of ten years from the date of its grant (or such shorter period as may be applicable under Section 422 of the Code), and (ii) the term of any Option granted to a resident of the United Kingdom shall not exceed a period of ten years from the date of its grant.

(c) *Form of Payment Under Awards*. Subject to the terms of the Plan and any applicable Award Agreement, payments to be made by the Company, its Parent or Subsidiaries upon the grant, exercise or settlement of an Award may be made in such forms as the Committee shall determine, including, without limitation, cash, Stock, other Awards or other property, and may be made in a single payment or transfer, in installments or on a deferred basis. Such payments may include, without limitation, provisions for the payment or crediting of reasonable interest on installment or deferred payments or the grant or crediting of Dividend Equivalents in respect of installment or deferred payments denominated in Stock.

(d) *Loans in Connection with an Award*. The Company may not, in connection with any Award, extend, maintain, renew, guarantee or arrange for credit in the form of a personal loan to any Participant who is a director or executive officer of the Company (within the meaning of the Exchange Act); provided, however, that, with the consent of the Committee, and subject at all times to, and only to the extent, if any, permitted under applicable law and regulation and other binding obligations or provisions applicable to the Company, the Company may extend, maintain, renew, guarantee or arrange for credit in the form of a personal loan to a Participant who is not such a director or executive officer in connection with any Award, including the payment by such Participant of any or all federal, state or local income or other taxes due in connection with any Award. Subject to such limitations, the Committee shall have full authority to decide whether to make a loan hereunder and to determine the amount, terms and provisions of any such loan, including the interest rate to be charged in respect of any such loan, whether the loan is to be with or without recourse against the borrower, the terms on which the loan is to be repaid and conditions, if any, under which the loan may be forgiven.

Table of Contents

(e) *Performance-Based Awards*.

(i) *Setting of Performance Objectives*. The Committee may designate any Award the exercisability or settlement of which is subject to the achievement of performance conditions as a performance-based Award subject to this Section 7(e), in order to qualify such Award as qualified performance-based compensation within the meaning of Section 162(m) of the Code. The performance objectives for an Award subject to this Section 7(e) shall consist of one or more business criteria and a targeted level or levels of performance with respect to such criteria, as specified by the Committee but subject to this Section 7(e). Performance objectives shall be objective and shall otherwise meet the requirements of Section 162(m)(4)(C) of the Code. Business criteria used by the Committee in establishing performance objectives for Awards subject to this Section 7(e) shall be based exclusively on one or more of the following corporate-wide or subsidiary, division or operating unit financial and strategic measures:

(i) pre-tax or after-tax net income,

(ii) pre-tax or after-tax operating income,

(iii) gross revenue,

(iv) profit margin,

(v) stock price,

(vi) cash flow(s),

(vii) market share,

(viii) pre-tax or after-tax earnings per share,

(ix) pre-tax or after-tax operating earnings per share,

(x) expenses,

(xi) return on equity, or

(xii) strategic business criteria, consisting of one or more objectives based on meeting specified revenue, market penetration, or geographic business expansion goals, cost targets, and goals relating to acquisitions or divestitures.

The levels of performance required with respect to such business criteria may be expressed on an absolute and/or relative basis, may be based on or otherwise employ comparisons based on current internal targets, the past performance of the Company (including the performance of one or more subsidiaries, divisions and/or operating units) and/or the past or current performance of other companies, and in the case of earnings-based measures, may use or employ comparisons relating to capital (including, without limitation, the cost of capital), stockholders equity and/or shares outstanding, or to assets or net assets. Performance objectives may differ for such Awards to different Participants. The Committee shall specify the weighting to be given to each performance objective for purposes of determining the final amount payable with respect to any such Award. The Committee may, in its discretion, reduce the amount of a payout otherwise to be made in connection with an Award subject to this Section 7(e), but may not exercise discretion to increase such amount, and the Committee may consider other performance criteria in exercising such discretion. The Committee may not delegate any responsibility with respect to an Award subject to this Section 7(e).

(ii) *Impact of Extraordinary Items or Changes in Accounting*. To the extent applicable, the measures used in setting performance objectives for any given performance period shall be determined in accordance with generally accepted accounting principles (GAAP) in a manner consistent with the methods used in the Company s audited financial statements, without regard to (i) extraordinary items as determined by the Company s independent public accountants in accordance with GAAP, (ii) changes in accounting, unless, in each case, the Committee decides otherwise within the period

Table of Contents

described in Treas. Reg. Sec. 1.162-27(e)(2) (as may be amended from time to time) or (iii) non-recurring acquisition expenses and restructuring charges. Notwithstanding the foregoing, in calculating operating earnings or operating income (including on a per share basis), the Committee may, within the period described in Treas. Reg. Sec. 1.162-27(e)(2) (as may be amended from time to time) for a given performance period, provide that such calculation shall be made on the same basis as reflected in a release of the Company s earnings for a previously completed period as specified by the Committee.

(f) *Acceleration upon a Change of Control.* Notwithstanding anything contained herein to the contrary, except as set forth in an Award Agreement, all conditions and/or restrictions relating to the continued performance of services and/or the achievement of performance objectives with respect to the exercisability or full enjoyment of an Award shall accelerate or otherwise lapse immediately prior to a Change in Control.

8. *General Provisions.*

(a) *Issuance of Stock; Compliance with Laws and Obligations.* The Company shall not be obligated to issue or deliver Stock in connection with any Award or take any other action under the Plan in a transaction subject to the requirements of any applicable securities law, any requirement under any listing agreement between the Company and any national securities exchange or automated quotation system or any other law, regulation or contractual obligation of the Company until the Company is satisfied that such laws, regulations, and other obligations of the Company have been complied with in full. Certificates representing shares of Stock issued under the Plan will be subject to such stop-transfer orders and other restrictions as may be applicable under such laws, regulations and other obligations of the Company, including any requirement that a legend or legends be placed thereon.

(b) *Limitations on Transferability.* Awards and other rights under the Plan will not be transferable by a Participant except by will or the laws of descent and distribution or to a Beneficiary in the event of the Participant s death, shall not be pledged, mortgaged, hypothecated or otherwise encumbered, or otherwise subject to the claims of creditors, and, in the case of ISOs and SARs in tandem therewith, shall be exercisable during the lifetime of a Participant only by such Participant or his guardian or legal representative; provided, however, that such Awards and other rights (other than ISOs and SARs in tandem therewith) may be transferred to one or more transferees during the lifetime of the Participant to the extent and on such terms as then may be permitted by the Committee. A Beneficiary, transferee, or other person claiming any rights under the Plan from or through any Participant shall be subject to all terms and conditions of the Plan and any Award Agreement applicable to such Participant, except as otherwise determined by the Committee, and to any additional terms and conditions determined by the Committee, whether imposed at or subsequent to the grant or transfer of the Award.

(c) *No Right to Continued Employment or Service.* Neither the Plan nor any action taken hereunder shall be construed as giving any employee, director or other person the right to be retained in the employ or service of the Company, its Parent or any Subsidiary, nor shall it interfere in any way with the right of the Company, its Parent or any Subsidiary to terminate any employee s employment or other person s service at any time or with the right of the Board or stockholders to remove any director. Unless otherwise specified in the applicable Award Agreement, (i) an approved leave of absence shall not be considered a termination of employment or service for purposes of an Award, and (ii) any Participant who is employed by or performs services for a Parent or a Subsidiary shall be considered to have terminated employment or service for purposes of an Award if such Parent or Subsidiary no longer qualifies as a Parent or Subsidiary, unless such Participant remains employed by the Company, a Parent, or a Subsidiary.

(d) *Taxes.* The Company, its Parent and Subsidiaries are authorized to withhold from any delivery of Stock in connection with an Award, any other payment relating to an Award or any payroll or other payment to a Participant amounts of withholding and other taxes due or potentially payable in connection with any transaction involving an Award, and to take such other action as the Committee may deem necessary or advisable to enable the Company, its Parent and Subsidiaries and Participants to satisfy obligations for the

Table of Contents

payment of withholding taxes and other tax obligations relating to any Award. This authority shall include authority to withhold or receive Stock or other property and to make cash payments in respect thereof in satisfaction of a Participant s tax obligations.

(e) *Changes to the Plan and Awards.* The Board may amend, alter, suspend, discontinue or terminate the Plan or the Committee s authority to grant Awards under the Plan without the consent of stockholders or Participants, except that any such action shall be subject to the approval of the Company s stockholders at or before the next annual meeting of stockholders for which the record date is after such Board action if such stockholder approval is required by any federal or state law or regulation, including, without limitation, the rules of any stock exchange or automated quotation system on which the Stock may then be listed or quoted, and the Board may otherwise determine to submit other such changes to the Plan to stockholders for approval; provided, however, that, without the consent of an affected Participant, no such action may materially impair the rights of such Participant under any Award theretofore granted to him (as such rights are set forth in the Plan and the Award Agreement). The Committee may waive any conditions or rights under, or amend, alter, suspend, discontinue, or terminate, any Award theretofore granted and any Award Agreement relating thereto; provided, however, that, without the consent of an affected Participant, no such action may materially impair the rights of such Participant under such Award (as such rights are set forth in the Plan and the Award Agreement). Notwithstanding the foregoing, the Board or the Committee may take any action, including, without limitation, actions affecting or terminating outstanding Awards if and to the extent permitted by the Plan or applicable Award Agreement. The Board or the Committee shall also have the authority to establish separate sub-plans under the Plan with respect to Participants resident in a particular jurisdiction (the terms of which shall not be inconsistent with those of the Plan) if necessary or advisable to comply with applicable law or regulation of such jurisdiction.

(f) *No Rights to Awards; No Stockholder Rights.* No person shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Participants and employees. No Award shall confer on any Participant any of the rights of a stockholder of the Company unless and until Stock is duly issued or transferred and delivered to the Participant in accordance with the terms of the Award or, in the case of an Option, the Option is duly exercised.

(g) *Unfunded Status of Awards; Creation of Trusts.* The Plan is intended to constitute an unfunded plan for incentive and deferred compensation. With respect to any payments not yet made to a Participant pursuant to an Award, nothing contained in the Plan or any Award shall give any such Participant any rights that are greater than those of a general creditor of the Company; provided, however, that the Committee may authorize the creation of trusts or make other arrangements to meet the Company s obligations under the Plan to deliver cash, Stock, other Awards, or other property pursuant to any Award, which trusts or other arrangements shall be consistent with the unfunded status of the Plan unless the Committee otherwise determines with the consent of each affected Participant.

(h) *Nonexclusivity of the Plan.* Neither the adoption of the Plan by the Board nor any submission of the Plan or amendments thereto to the stockholders of the Company for approval shall be construed as creating any limitations on the power of the Board to adopt such other compensatory arrangements as it may deem necessary or advisable, including, without limitation, the granting of stock options otherwise than under the Plan, and such arrangements may be either applicable generally or only in specific cases.

(i) *No Fractional Shares.* No fractional shares of Stock shall be issued or delivered pursuant to the Plan or any Award. The Committee shall determine whether cash, other Awards, or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated.

(j) *Compliance with Law and Regulation.* It is the intent of the Company that employee Options, SARs and other Awards designated as Awards subject to Section 7(e) shall constitute qualified performance-based compensation within the meaning of Section 162(m) of the Code. Accordingly, if any provision of the Plan or any Award Agreement relating to such an Award does not comply or is inconsistent with the requirements of Section 162(m) of the Code, such provision shall be construed or deemed amended to the

Table of Contents

extent necessary to conform to such requirements, and no provision shall be deemed to confer upon the Committee or any other person discretion to increase the amount of compensation otherwise payable in connection with any such Award upon attainment of the performance objectives. With respect to persons subject to Section 16 of the Exchange Act, it is the intent of the Company that the Plan and all transactions under the Plan comply with applicable provisions of Rule 16b-3. In addition, it is the intent of the Company that ISOs comply with applicable provisions of Section 422 of the Code, and that, to the extent applicable, Awards comply with the requirements of Sections 409A and 280G of the Code or an exception from such requirements. The Committee may revoke any Award if it is contrary to law or regulation or modify an Award to bring it into compliance with any applicable law or regulation.

(k) *Governing Law.* The validity, construction and effect of the Plan, any rules and regulations relating to the Plan and any Award Agreement shall be determined in accordance with the laws of the State of Delaware, without giving effect to principles of conflicts of laws, and applicable federal law.

(l) *Plan Termination.* The Plan shall continue in effect until terminated by the Board.

Table of Contents

PRELIMINARY

SUBJECT TO COMPLETION

DATED JANUARY [•], 2008

eSPEED, INC.

Special Meeting of Stockholders [•], 2008

The undersigned hereby appoints Howard W. Lutnick and Stephen M. Merkel, and each of them, proxies, with full power of substitution, to appear on behalf of the undersigned and to vote all shares of Class A common stock (par value $.01) and Class B common stock (par value $.01) of eSpeed, Inc. (the Company) that the undersigned is entitled to vote at the special meeting of stockholders of the Company to be held at [•], [•], New York, New York, on [•], [•], 2008, commencing at [•] local time, and at any adjournment or postponement thereof.

WHEN PROPERLY EXECUTED, THIS PROXY WILL BE VOTED AS DIRECTED, BUT IF NO INSTRUCTIONS ARE SPECIFIED, THIS PROXY WILL BE VOTED FOR THE ADOPTION OR APPROVAL, AS THE CASE MAY BE, OF PROPOSALS 1, 2, 3 AND 4.

THIS PROXY IS SOLICITED BY THE BOARD OF DIRECTORS

Please mark box x in blue or black ink.

1.	Adoption of the Agreement and Plan of Merger, dated as of May 29, 2007, as amended as of November 5, 2007 and January [•], 2008, by and among BGC Partners, Inc., Cantor Fitzgerald, L.P., the Company, BGC Partners, L.P., BGC Global Holdings, L.P. and BGC Holdings, L.P., pursuant to which, among other things, BGC Partners, Inc. will be merged with and into the Company (the Combined Company), and the transactions contemplated thereby, including the merger and the issuance of shares of Combined Company common stock and rights to acquire Combined Company common stock as consideration in the merger.	FOR ¨	AGAINST ¨	ABSTAIN ¨
2.	Approval of the amendment to the Company Certificate of Incorporation to authorize 300 million additional shares of Class A common stock.	FOR ¨	AGAINST ¨	ABSTAIN ¨
3.	Approval of the amendment to the Company Certificate of Incorporation effecting changes regarding corporate opportunities.	FOR ¨	AGAINST ¨	ABSTAIN ¨
4.	Approval of the BGC Partners, Inc. Long Term Incentive Plan, as amended and restated.	FOR ¨	AGAINST ¨	ABSTAIN ¨

(Continued and to be signed on reverse side)

Table of Contents

In their discretion, the proxies are authorized to vote upon such other business as may properly come before the special meeting of stockholders and any adjournment or postponement thereof.

Please sign exactly as your name appears on the left. When signing as an attorney, executor, administrator, trustee or guardian, please give your full title. If shares are held jointly, each holder should sign.

PLEASE CHECK IF YOU PLAN TO ATTEND THE SPECIAL MEETING OF STOCKHOLDERS ¨
Dated: _____, 2008

Signature

Signature

Please sign, date and return the proxy card using the enclosed envelope.