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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934  
(Amendment No.    )**

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Filed by the Registrant ☒

Filed by a Party other than the Registrant ☐

(Check the appropriate box):

- ☐ Preliminary Proxy Statement
- ☐ **Confidential, For Use Of The Commission Only (As Permitted By Rule 14a-6(e)(2))**
- ☒ Definitive Proxy Statement
- ☐ Definitive Additional Materials
- ☒ Soliciting Material Pursuant to §240.14a-11(c) or §240.14a-12

**BGC Partners, Inc.**

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check all boxes that apply):

- ☒ No fee required.
  - ☐ Fee paid previously with preliminary materials.
  - ☐ Fee computed on table in exhibit required by Item 25(b) of Schedule 14A (17 CFR 240.14a-101) per Item 1 of this Schedule and Exchange Act Rules 14c-5(g) and 0-11.
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December 1, 2022

Dear Stockholder:

It is my pleasure to inform you that our 2022 Annual Meeting of Stockholders (the “Annual Meeting”) will be conducted online on December 30, 2022, commencing at 1:00 p.m. (Eastern Time). Our Board of Directors will once again conduct the Annual Meeting as a virtual meeting because it believes that a virtual meeting will enable increased stockholder accessibility, while improving meeting efficiency and reducing costs. Stockholders will be able to listen, vote, and submit questions from their home or any remote location with Internet connectivity. Information on how to participate in the Annual Meeting can be found on page 3 of the Proxy Statement.

As previously announced, on November 15, 2022 we and BGC Holdings, along with certain other entities, entered into a Corporate Conversion Agreement (the “Corporate Conversion Agreement”) in order to reorganize and simplify our organizational structure through a series of proposed corporate conversion transactions (collectively, the “Corporate Conversion Transactions”). The Corporate Conversion Transactions will convert us from an Umbrella Partnership/C-Corporation (“Up-C”) to a “Full C-Corporation.” Upon completion of the Corporate Conversion Transactions, the stockholders of BGC Partners, Inc. and the limited partners of BGC Holdings, L.P. will participate in the economics of the BGC businesses through the same publicly traded corporate entity, BGC Group, Inc., a Delaware corporation.

The Corporate Conversion Agreement and the Corporate Conversion Transactions are subject to the approval of our stockholders, and we will solicit the consents of our stockholders for such approval. Cantor Fitzgerald, L.P., the beneficial owner of a majority of the collective voting power of our issued and outstanding common stock as of the record date for the Annual Meeting, has agreed pursuant to a Support Agreement entered into with us to provide its written consent to the Corporate Conversion Agreement and the Corporate Conversion Transactions.

We and our directors and executive officers may be deemed to be participants in the solicitation of consents from our stockholders in connection with the Corporate Conversion Transactions. Information regarding such participants can be found in the accompanying proxy statement, and additional information regarding such participants and their interests in the solicitation regarding the Corporate Conversion Transactions will be set forth in our definitive consent solicitation statement and related materials to be filed with the Securities and Exchange Commission in connection with our solicitation of consents from our stockholders for the approval of the Corporate Conversion Transactions.

**Please note that the accompanying proxy statement relates solely to our Annual Meeting and does not ask you to consider the Corporate Conversion Agreement or the Corporate Conversion Transactions. As such, it does not reflect all of the terms and conditions of the Corporate Conversion Agreement or of the Corporate Conversion Transactions and does not relate to the consent solicitation with respect to the Corporate Conversion Transactions, which will be held on a future date. At the appropriate time, we will send a separate package of consent solicitation materials to you in connection with the Corporate Conversion Transactions. The Corporate Conversion Transactions are subject to customary closing conditions set forth in the Corporate Conversion Agreement.**

During the Annual Meeting, you will be asked to consider and vote upon (i) the election of four directors; (ii) a vote on the ratification of the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2022; (iii) an advisory vote on executive compensation; and (iv) such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

[bgcpartners.com](http://bgcpartners.com)





Whether or not you are able to participate in the Annual Meeting, it is important that your shares be represented. Please vote your shares using the Internet or the designated toll-free telephone number, or by completing and returning by mail the enclosed proxy or voting instruction card. Please refer to the section entitled "Voting Via the Internet, by Telephone, or by Mail" on page 2 of the Proxy Statement for a description of these voting methods.

Sincerely,

A handwritten signature in black ink, appearing to read "Howard W. Lutnick".

Howard W. Lutnick  
Chairman of the Board of Directors





**BGC Partners, Inc.**

**499 Park Avenue  
New York, New York 10022**

**Notice of 2022 Annual Meeting of Stockholders**

NOTICE IS HEREBY GIVEN that our 2022, Annual Meeting of Stockholders will be held on December 30, 2022 commencing at 1:00 p.m. (Eastern Time), for the following purposes:

- (1) To elect four (4) directors to hold office until the next Annual Meeting and until their successors are duly elected and qualified;
- (2) To hold a vote on the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2022;
- (3) To hold an advisory vote on executive compensation; and
- (4) To transact such other business as may properly come before the Annual Meeting and any adjournment or postponement thereof.

Only holders of record of our Class A common stock or our Class B common stock at the close of business on November 7, 2022 are entitled to notice of and to vote at the Annual Meeting and any adjournment or postponement thereof. If you plan to participate in the Annual Meeting, please see the instructions under "Participating in the Annual Meeting" beginning on page 3 of the accompanying Proxy Statement. Stockholders will be able to listen, vote, and submit questions from their home or from any remote location that has Internet connectivity. Please see the instructions for voting under "Voting Via the Internet, by Telephone, or by Mail" beginning on page 2 of the accompanying Proxy Statement. There will be no physical location for stockholders to attend. Stockholders may only participate online by logging in at <https://www.virtualshareholdermeeting.com/BGCP2022>.

By Order of the Board of Directors,

A handwritten signature in black ink, appearing to read "Caroline Koster", written over a horizontal line.

**CAROLINE A. KOSTER**  
Corporate Secretary

**December 1, 2022**

**YOUR VOTE IS IMPORTANT. WHETHER OR NOT YOU PLAN TO PARTICIPATE IN  
THE ANNUAL MEETING, PLEASE VOTE AS PROMPTLY AS POSSIBLE USING THE  
INTERNET, THE DESIGNATED TOLL-FREE TELEPHONE NUMBER  
OR BY COMPLETING AND RETURNING BY MAIL THE ENCLOSED PROXY OR VOTING INSTRUCTION CARD**

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**BGC Partners, Inc.**  
**499 Park Avenue**  
**New York, New York 10022**

## **PROXY STATEMENT**

This Proxy Statement is being furnished in connection with the solicitation of proxies by and on behalf of our Board of Directors for use at the 2022 Annual Meeting of Stockholders (the “Annual Meeting”) of BGC Partners, Inc. (the “Company,” “BGC Partners,” “BGC,” “we,” “us,” or “our”) to be held on December 30, 2022, and at any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of 2022 Annual Meeting of Stockholders. There will be no physical location for stockholders to attend. Stockholders may only participate online by logging in at <https://www.virtualshareholdermeeting.com/BGCP2022>. Our Annual Report for the fiscal year ended December 31, 2021 (the “2021 Annual Report”) accompanies this Proxy Statement. This Proxy Statement and the accompanying proxy card are being mailed to stockholders beginning on or about December 1, 2022.

**IMPORTANT NOTICE REGARDING THE INTERNET AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON DECEMBER 30, 2022:** This Proxy Statement, the 2021 Annual Report and voting instructions can be accessed over the Internet at <https://www.proxyvote.com>.

## **INFORMATION ABOUT VOTING**

### **Who Can Vote**

The close of business on November 7, 2022 has been fixed as the record date (the “Record Date”) for the determination of the stockholders entitled to notice of and to vote at the Annual Meeting and any adjournment or postponement thereof. Only holders of record as of that date of shares of our Class A common stock, \$0.01 par value per share (the “Class A common stock”), or of our Class B common stock, \$0.01 par value per share (the “Class B common stock”), are entitled to notice of and to vote at the Annual Meeting. Our Class A common stock and our Class B common stock will vote together as a single class on all matters to come before the Annual Meeting and are sometimes collectively referred to herein as our “Common Equity.”

Each share of our Class A common stock entitles the holder thereof to one vote per share on each matter presented to stockholders for approval at the Annual Meeting. Each share of our Class B common stock entitles the holder thereof to 10 votes per share on each matter presented to stockholders for approval at the Annual Meeting. The collective voting power represented by the shares of our Class A common stock and our Class B common stock issued and outstanding on the Record Date is referred to as the “Total Voting Power.” On the Record Date, there were 323,862,252 shares of our Class A common stock and 45,884,380 shares of our Class B common stock, for a total of 369,746,632 shares of our Common Equity, outstanding and entitled to vote, with a Total Voting Power of 782,706,052 votes.

Howard Lutnick, directly and through his control of Cantor Fitzgerald, L.P. (“Cantor”) and its Managing General Partner, CF Group Management, Inc. (“CFGM”), controls a majority of our Total Voting Power.

### **Voting Via the Internet, by Telephone, or by Mail**

#### *Stockholders of Record*

If your shares are registered directly in your name with the Company’s transfer agent, American Stock Transfer & Trust Company, LLC, you are considered the “stockholder of record” of those shares and these proxy materials are being sent directly to



you by the Company. If you are a stockholder of record, you can vote your shares in one of two ways: either by proxy or online during the Annual Meeting. If you choose to vote by proxy, you may do so by using the Internet (please visit <https://www.proxyvote.com> and follow the instructions), or by calling the designated toll-free number, 1-800-690-6903, or by completing and returning by mail the proxy card enclosed with this proxy statement. Whichever method you use, each valid proxy received in time will be voted during the Annual Meeting in accordance with your instructions.

#### *Beneficial Owners of Shares Held in Street Name*

If your shares are held in a securities brokerage account or by a bank or other nominee, you are considered the “beneficial owner” of shares held in street name, and these proxy materials are being forwarded to you by your broker, bank or nominee, who is considered the stockholder of record of those shares. As a beneficial owner, you have the right to direct your broker, bank or nominee on how to vote the shares held in your account. You may also vote using the Internet. Please visit <https://www.proxyvote.com> and follow the instructions from your broker, bank or nominee describing the available processes for voting your stock in the voting instruction card.

#### **Revocation of Proxies**

A stockholder’s voting on the Internet or by telephone or by completing and returning a proxy or voting instruction card will not affect such stockholder’s right to participate in the Annual Meeting and to vote during such time. Any stockholder who votes on the Internet or by telephone or submits an executed proxy or voting instruction card has a right to revoke the proxy at any time before it is voted by taking any of the following actions:

- advising Caroline A. Koster, our Corporate Secretary, in writing of such revocation;
- changing the stockholder’s vote on the Internet or by telephone;
- executing a later-dated proxy or voting instruction card which is delivered prior to the Annual Meeting; or
- participating in the Annual Meeting online and voting during such time.

Participation in the Annual Meeting will not in and of itself constitute revocation of a proxy.

#### **Quorum**

The required quorum for the transaction of business at the Annual Meeting is a majority of the Total Voting Power, which shares must be present online or represented by proxy during the Annual Meeting.

#### **Broker Non-Votes**

If you are a beneficial owner whose shares are held by a broker, bank or other nominee, you must instruct the broker, bank or nominee how to vote your shares. If you do not provide voting instructions, your shares will not be voted on proposals on which brokers do not have discretionary authority. This is called a “broker non-vote.”

#### **Required Vote**

With respect to Proposal 1, directors are elected by a plurality of the votes cast. With respect to Proposals 2 and 3, the affirmative vote of the holders of a majority of the Total Voting Power present online or represented by proxy at the Annual Meeting and entitled



to vote on each of those Proposals is required. Withheld votes will have no effect on the vote on Proposal 1, and abstentions will have the same effect on the votes as votes against Proposals 2 and 3. Broker non-votes will have no effect on the votes on Proposals 1 and 3. Additionally, there will not be broker non-votes with regard to Proposal 2 as it is a routine matter pursuant to which brokers may exercise discretionary voting authority. Thus, your broker or nominee may vote on your behalf with regard to Proposal 2, whether or not you provide voting instructions. Shares not voted in the discretion of your broker or nominee will have the same effect as votes against this proposal.

### Participating in the Annual Meeting

You are entitled to participate in the Annual Meeting only if you were a BGC Partners stockholder of record or a beneficial owner of shares of our Class A common stock or our Class B common stock as of the close of business on the Record Date, November 7, 2022, or you hold a valid proxy for the Annual Meeting. Our Annual Meeting will be a completely virtual meeting. There will be no physical meeting location. The meeting will be conducted only via live webcast.

To participate in the Annual Meeting, visit <https://www.virtualshareholdermeeting.com/BGCP2022> or <https://www.ir.bgcpartners.com> and enter the 16-digit control number included on your proxy card or on the voting instruction card that accompanied your proxy materials. You may begin to log into the meeting platform beginning at 12:45 p.m. (Eastern Time) on December 30, 2022. The meeting will begin promptly at 1:00 p.m. (Eastern Time) on December 30, 2022.

The virtual meeting platform is fully supported across browsers (Edge, Firefox, Chrome, and Safari) and devices (desktops, laptops, tablets, and cell phones) running the most updated version of applicable software and plugins. Participants should ensure that they have a strong Wi-Fi connection wherever they intend to participate in the meeting. Participants should also give themselves plenty of time to log in and ensure that they can hear streaming audio prior to the start of the meeting.

If you want to submit your question during the meeting, log into the virtual meeting platform at <https://www.virtualshareholdermeeting.com/BGCP2022>, type your question into the “Ask a Question” field and click “Submit.” Questions pertinent to meeting matters will be answered during the meeting, subject to time constraints. Questions regarding personal matters, including those related to employment, individual transactions, product or service issues, or other matters not relevant to investors generally, are not pertinent to meeting matters and therefore will not be answered.

### Voting Procedures for Deferral Plan Participants

Pursuant to the trust agreement governing our BGC Partners, Inc. Deferral Plan for Employees of Cantor Fitzgerald, L.P. and its Affiliates (the “Deferral Plan”), the trustee of our Deferral Plan will not, except as otherwise required by law, vote shares of our Class A common stock held in the trust as to which the trustee has not received voting instructions from Deferral Plan participants.

### Other Information

**Unless specified otherwise, the proxies will be voted FOR the election of all the nominees to serve as our directors, FOR the ratification of the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2022, and FOR the approval, on an advisory basis, of the resolution on executive compensation. In the discretion of the proxy holders, the proxies will also be voted for or against such other matters as may properly come before the Annual Meeting. Management is not aware of any other matters to be presented for action at the Annual Meeting.**





Our principal executive offices are located at 499 Park Avenue, New York, NY 10022, and our telephone number is (212) 610-2200.

This Proxy Statement is accompanied by the 2021 Annual Report, which includes the Company's Form 10-K for the year ended December 31, 2021 that we have previously filed with the Securities and Exchange Commission (the "SEC") and that includes our audited financial statements. We file reports, proxy statements and other information with the SEC. These filings are available to the public from the SEC website at <https://www.sec.gov>. **In addition, our website at <https://www.bgcpartners.com> provides ongoing information about the Company, including the 2021 Annual Report, which includes our Form 10-K for the year ended December 31, 2021, and other documents filed by us with the SEC. To obtain documents from us, please direct requests in writing or by telephone to BGC Partners, Inc., 499 Park Avenue, 3rd Floor, New York, NY 10022, Phone: (212) 610-2200, Attention: Corporate Secretary. We will send you the requested documents without charge; however, a reasonable fee will be charged for exhibits that you request.**

The information contained on, or that may be accessed through, our websites or other websites referenced herein is not part of, and is not incorporated into, this Proxy Statement.

As previously announced, on November 15, 2022 we and BGC Holdings, along with certain other entities, entered into a Corporate Conversion Agreement (the "Corporate Conversion Agreement") in order to reorganize and simplify our organizational structure through a series of proposed corporate conversion transactions (collectively, the "Corporate Conversion Transactions"). The Corporate Conversion Transactions will convert us from an Umbrella Partnership/C-Corporation ("Up-C") to a "Full C-Corporation." Upon completion of the Corporate Conversion Transactions, the stockholders of BGC Partners and the limited partners of BGC Holdings will participate in the economics of the BGC businesses through the same publicly traded corporate entity, BGC Group, Inc., a Delaware corporation ("BGC Group").

The Corporate Conversion Agreement and the Corporate Conversion Transactions are subject to the approval of our stockholders, and we will solicit the consents of our stockholders for such approval. Cantor, the beneficial owner of a majority of our Total Voting Power, has agreed pursuant to a Support Agreement entered into with us to provide its written consent to the Corporate Conversion Agreement and the Corporate Conversion Transactions.

We and our directors and executive officers may be deemed to be participants in the solicitation of consents from our stockholders in connection with the Corporate Conversion Transactions. Information regarding such participants can be found in this Proxy Statement, and additional information regarding such participants and their interests in the solicitation regarding the Corporate Conversion Transactions will be set forth in our definitive consent solicitation statement and related materials to be filed with the SEC in connection with our solicitation of consents from our stockholders for the approval of the Corporate Conversion Transactions.

**Please note that this Proxy Statement relates solely to our Annual Meeting and does not ask you to consider the Corporate Conversion Agreement or the Corporate Conversion Transactions. As such, it does not reflect all of the terms and conditions of the Corporate Conversion Agreement or of the Corporate Conversion Transactions and does not relate to the consent solicitation with respect to the Corporate Conversion Transactions, which will be held on a future date. At the appropriate time, we will send a separate package of consent solicitation materials to you in connection with the Corporate Conversion Transactions. The Corporate Conversion Transactions are subject to customary closing conditions set forth in the Corporate Conversion Agreement.**



## PROPOSAL 1—ELECTION OF DIRECTORS

Our Board of Directors (the “Board”) is currently composed of six members. Mr. Curwood, a director of our Company since December 2009, and Mr. Moran, a director of our Company since June 2013, have determined not to stand for re-election at the Annual Meeting. Our Board, upon recommendation of our independent directors, has nominated four persons for election as directors at the Annual Meeting. All of the nominees are currently members of our Board. Information with respect to the four nominees for election as directors is set forth below. All of the nominees are to be elected at the Annual Meeting and to serve until their successors are duly elected and qualified. All of the nominees listed below are expected to serve as directors if they are elected. If any nominee should decline or be unable to accept such nomination or to serve as a director (an event which our Board does not now expect), our Board reserves the right to nominate another person or to vote to reduce the size of our Board. In the event another person is nominated, the proxy holders intend to vote the shares to which the proxy relates for the election of the person nominated by our Board. There is no cumulative voting for directors.

### Information About Our Directors

<u>Name</u>	<u>Age</u>	<u>Director Since</u>	<u>Biographies</u>
Howard W. Lutnick	61	1999	<p>Mr. Lutnick is the Chairman of our Board of Directors and our Chief Executive Officer, positions in which he has served from June 1999 to the present. Mr. Lutnick joined Cantor Fitzgerald, L.P. in 1983 and has served as President and Chief Executive Officer of Cantor since 1992 and as Chairman since 1996. Mr. Lutnick also served as President of Cantor from 1991 until 2017. Mr. Lutnick has been Chairman of Newmark Group, Inc. (“Newmark”) since 2016. In addition, Mr. Lutnick also holds offices at and provides services to various other affiliates of Cantor and provides services to our and Newmark’s operating partnerships and subsidiaries, including BGC Partners, L.P. (“BGC U.S. OpCo”), BGC Global Holdings, L.P. (“BGC Global OpCo”), and Newmark Partners, L.P. (“Newmark OpCo”). In addition, Mr. Lutnick’s company, CF Group Management, Inc., is the managing general partner of Cantor.</p> <p>Mr. Lutnick is a member of the Board of Directors of the Horace Mann School, the Board of Directors of the National September 11 Memorial &amp; Museum, the Board of Directors of the Partnership for New York City and the Board of Overseers of The Hoover Institution. Mr. Lutnick also served as the Chairman and Chief Executive Officer of CF Finance Acquisition Corp, a special purpose acquisition company (“SPAC”), from October 2015 until consummation of its business combination with GCM Grosvenor in November 2020, as the Chairman and Chief Executive Officer of CF Finance Acquisition Corp. II, a SPAC, from September 2019 until consummation of its business combination with View, Inc. in March 2021, and as the Chairman and Chief Executive Officer of CF Finance Acquisition Corp. III from March 2016 until consummation of its business combination with AEye in August 2021. Mr. Lutnick has also served as the Chairman and Chief Executive Officer of CF Acquisition Corp. IV since January 2020, CF Acquisition Corp. V, which has entered into a merger agreement in connection with the proposed business combination with Satellogic, since April 2020, CF Acquisition Corp. VI since April 2020, CF Acquisition Corp. VII since July 2020 and CF Acquisition Corp. VIII since July 2020, all of which are SPACS. Additionally,</p>



<u>Name</u>	<u>Age</u>	<u>Director Since</u>	<u>Biographies</u>
			Mr. Lutnick has served as Chairman and Chief Executive Officer of each of Cantor Fitzgerald Income Trust, Inc. (formerly known as Rodin Global Property Trust, Inc.) and Rodin Income Trust, Inc. since February 2017 and as President of Rodin Income Trust, Inc. since January 2018, which are non-traded real estate investment trusts, or REITs. Mr. Lutnick received an undergraduate degree from Haverford College.
Stephen T. Curwood	75	2009	Mr. Curwood, a director of our Company since December 2009, has determined not to stand for re-election at the Annual Meeting. Mr. Curwood has been President of the World Media Foundation, Inc., a non-profit media production company, since 1992 and Senior Managing Director of SENCAP LLC, a New York and New Hampshire-based investment group, since 2005. Mr. Curwood was a Principal in Mamawood (Pty) Ltd, a media holding company based in Johannesburg with investments in South Africa, from 2005 to 2017. He has been a member of the Haverford College Corporation since 2000 and a trustee of the Woods Hole Research Center since 1996. From 1996 to present, Mr. Curwood has been faculty associate of the Harvard University Center for the Environment and has lectured in Environmental Science and Public Policy. From 2017 to present, he has been a Professor of Practice for the University of Massachusetts at Boston School for the Environment. Mr. Curwood was a trustee of Pax World Funds, a \$2.5 billion group of investment funds focused on sustainable and socially responsible investments based in Portsmouth, New Hampshire, from 2007 until 2009. Mr. Curwood is also currently a member of the Board of Trustees of the New England Aquarium. Mr. Curwood received an A.B. from Harvard College.
William J. Moran	81	2013	Mr. Moran, a director of our Company since June 2013, has determined not to stand for re-election at the Annual Meeting. Mr. Moran retired from JPMorgan Chase & Co. in June 2005, after serving as its Executive Vice President since 1997 and General Auditor since 1992. Mr. Moran previously worked in public accounting for nine years at KPMG LLP, providing financial audit, tax and advisory professional services. He served as a director of eSpeed, Inc., the Company's predecessor, from December 1999 to November 2005. Mr. Moran served as a member of the Board of Directors and as the Chairman of the Audit Committee of GFI from February 26, 2015 through the closing of our back-end merger with GFI in January 2016. Mr. Moran also served as a director of Sovereign Bancorp, Inc. from 2006 until it was acquired by Banco Santander, S.A. in 2009. He also serves on the Advisory Board of the School of Management of Marist College and as a Trustee of the State University of New York College of Optometry. He previously served on the Board of Directors of The College of Technology and as a director of Lighthouse International. He is a member of the American Institute of Certified Public Accountants and the New York Society of Certified Public Accountants, and was a member of the Bank Administration Institute and the Institute of Internal Auditors. Mr. Moran graduated with a B.A., cum laude, from Marist College and a M.B.A. from Columbia University. Mr. Moran also is a Certified Public Accountant.



<u>Name</u>	<u>Age</u>	<u>Director Since</u>	<u>Biographies</u>
Linda A. Bell	63	2013	Dr. Bell has been a director of our Company since July 2013. Dr. Bell has served as the Provost and Dean of Faculty at Barnard College, Columbia University since 2012, where she is also the Claire Tow Professor of Economics. Prior to joining Barnard, Dr. Bell was the Provost and John B. Hurford Professor of Economics at Haverford College from 2007 and 2012 and a member of the faculty since 1992. Prior to her tenure at Haverford, Dr. Bell held visiting faculty appointments at Stanford University, the University of California, San Diego, the John F. Kennedy School of Government at Harvard University, and the Woodrow Wilson School of Public Administration at Princeton University, and has taught at the Leonard N. Stern School of Business at New York University. Dr. Bell has also served as a research fellow at the Institute for the Study of Labor (IZA) in Bonn, Germany since 2003, and as a senior consultant for the labor practice group of the National Economic Research Associates since 2006. Dr. Bell holds a Ph.D. in Economics from Harvard University.
David P. Richards	70	2017	Mr. Richards has been a director of our Company since December 2017. Mr. Richards is the Chairman of Prodrive Holdings Ltd., a British motorsport and advanced engineering group, a position in which he has served since the firm's founding in 1984. He previously served as Chairman of Aston Martin Lagonda Ltd., a British manufacturer of luxury sports cars, from 2007 until 2013, and as a non-executive director of BGC European GP Limited from May 2009 until June 2017. Mr. Richards currently serves in the role of Chairman of the UK governing body of the Motor Sports Association. Mr. Richards has been a director of Phytome Life Sciences, a U.K. plant-based medical research company, since August 2019. In January 2022, Mr. Richards became a non-executive director of Raw Charging Group Limited, a U.K. electric vehicle charging company focused on distributing smart charging infrastructure to business customers in the U.K. and Europe. In the 2005 Queen's New Year's Honours, Mr. Richards was made a Commander of the British Empire, CBE, for his services to motorsport. Mr. Richards attended Brynhyfryd School in North Wales followed by five years of articles with a Liverpool firm of chartered accountants. He holds honorary doctorates and fellowships from the Universities of Wales, Coventry, Warwick and Cranfield.
Arthur U. Mbanefo	55	2021	Mr. Mbanefo has been a director of our Company since October 2021. From February 2020 to June 2022, Mr. Mbanefo was the Chief Investment Officer and Head of Principal Business and Asset Management for ORIX Corporation USA, the U.S. subsidiary of ORIX Corporation, a publicly owned, Tokyo-based international financial services company. In this role, he led investments across private equity, private credit and real estate, with a focus on the U.S. middle market. He was also an Advisory Director of the Board of ORIX Corporation USA. Mr. Mbanefo previously served as the Managing Partner of Phoenix Merchant Partners LP, a merchant banking and private credit business, from September 2019 until February 2020. Mr. Mbanefo served as the Chief Investment Officer of Barclays Bank PLC from March 2017 until June 2019 where he was responsible for all the investment of the balance sheet of Barclays Bank PLC across corporate and investment banking, markets, pension and asset management, cards and payments. Prior to this role, he was a Head of Markets at Barclays from September 2015



<u>Name</u>	<u>Age</u>	<u>Director Since</u>	<u>Biographies</u>
			to February 2017 and a Managing Director at the firm in various market leadership roles from May 2009 to September 2015. Prior to Barclays, Mr. Mbanefo served as Chief Investment Officer and Chief Executive Officer of two alternative investment management firms. In addition, since May 23, 2022, he has been the Chairman of the advisory board of Datatailr Inc., a financial and data analytics and development firm. He is an advisory board member of the non-profit, Room to Read, in both London and New York. Mr. Mbanefo graduated with a BSc with Honours from Loughborough University. He is also a Fellow Chartered Accountant.

### **VOTE REQUIRED FOR APPROVAL**

The four nominees receiving a plurality of the votes cast via the internet, telephone or by mail or represented by proxy at the Annual Meeting and entitled to vote on the election of directors will be elected as directors. Withheld votes and broker non-votes will have no effect on the election of directors.

### **RECOMMENDATION OF OUR BOARD OF DIRECTORS**

**OUR BOARD OF DIRECTORS RECOMMENDS THAT ALL STOCKHOLDERS VOTE “FOR” THE ELECTION OF EACH OF THE FOUR NOMINEES FOR DIRECTOR.**

#### **Independence of Directors**

Our Board has determined that each of Dr. Bell and Messrs. Curwood, Moran, Richards and Mbanefo qualifies as an “independent director” in accordance with the published listing requirements of the Nasdaq Stock Market, Inc. (“Nasdaq”). The Nasdaq independence definition consists of a series of objective tests, including that the director is not an officer or employee of ours and has not engaged in various types of business dealings with us. In addition, as further required by Nasdaq rules, our Board has made a subjective determination with respect to each independent director that no relationships exist which, in the opinion of our Board, would interfere with the exercise of independent judgment by each such director in carrying out the responsibilities of a director. In making these determinations, our Board has reviewed and discussed information provided by the individual directors and us with regard to each director’s business and personal activities as they may relate to us and our management, including participation on any boards of other organizations in which other members of our Board are members.

#### **Meetings and Committees of Our Board of Directors**

Our Board held 15 meetings during the year ended December 31, 2021. In addition to meetings, our Board and its committees reviewed and acted upon matters by unanimous written consent from time to time. During 2021, no director attended fewer than 90% of the total number of meetings of the Board and the committees of which he or she was a member. Each independent director attended 100% of the total number of meetings of the Board and the committees of which he or she was a member, except one member missed one meeting during the year ended 2021. In addition to regular committee meetings which are indicated below, the independent directors of the Board held 14 joint or special project committee meetings in 2021.

#### **Audit Committee**

Our Board has an Audit Committee. The members of the Committee are currently Dr. Bell and Messrs. Curwood, Moran, Richards and Mbanefo, all of whom qualify as independent in accordance with the published listing requirements of Nasdaq.



Mr. Mbanefo serves as chair, replacing Mr. Moran in April 2022. Messrs. Curwood and Moran have determined not to stand for re-election at the Annual Meeting. The members of the Committee also each qualify as “independent” under special standards established by the SEC for members of audit committees, and the Committee includes at least two members who are determined by our Board to also meet the qualifications of an audit committee financial expert in accordance with the SEC rules. Each of Messrs. Moran, Richards and Mbanefo is an independent director who has been determined to be an audit committee financial expert. The Committee operates pursuant to an Audit Committee Charter, which is available at <https://www.bgcpartners.com/esg/governance> under the heading “Independent Audit Committee” or upon written request from BGC free of charge.

Our Audit Committee selects our independent registered public accounting firm (our “Auditors”), consults with our Auditors and with management with regard to the adequacy of our financial reporting, internal control over financial reporting and the audit process and considers any permitted non-audit services to be performed by our Auditors. The Committee also approves all related party transactions, oversees the management of our enterprise risk management program, oversees compliance with our Code of Business Conduct and Ethics (the “Code of Ethics”), and administers our whistleblower policy, including the establishment of procedures with respect to the receipt, retention and treatment of complaints received by us regarding accounting, internal controls and auditing matters, and the anonymous submission by employees of complaints involving questionable accounting or auditing matters. The Committee held 13 meetings during the year ended December 31, 2021.

During 2022, our Audit Committee engaged Ernst & Young LLP (“Ernst & Young”) to be our Auditors for the year ending December 31, 2022. Ernst & Young was also approved to perform reviews of each of our quarterly financial reports for the year ending December 31, 2022, and certain other audit-related services such as accounting consultations. Pursuant to our Audit Committee Charter, the Committee will pre-approve audit services, internal control-related services and permitted non-audit services (including the fees and other terms thereof) to be performed for us by Ernst & Young, as set forth in the Audit Committee Charter. We are submitting such engagement to our stockholders for ratification at the Annual Meeting in Proposal 2.

### **Compensation Committee**

Our Board has a Compensation Committee. The members of the Committee are currently Dr. Bell and Messrs. Curwood, Moran, Richards and Mbanefo, all of whom are independent directors. Each member of the Committee qualifies as “independent” in accordance with the published listing requirements of Nasdaq. Dr. Bell serves as chair, replacing Mr. Curwood in April 2022. Mr. Richards joined the Compensation Committee on April 7, 2021. Messrs. Curwood and Moran have determined not to stand for re-election at the Annual Meeting. The Committee is responsible for reviewing and approving all compensation arrangements for our executive officers and for administering the BGC Holdings, L.P. (“BGC Holdings”) Participation Plan (the “Participation Plan”), our Eighth Amended and Restated BGC Partners, Inc. Long Term Incentive Plan (the “Equity Plan”) and our Second Amended and Restated BGC Partners, Inc. Incentive Bonus Compensation Plan (the “Incentive Plan” and together with the Participation Plan and the Equity Plan, the “BGC Compensation Plans”). The Committee operates pursuant to a Compensation Committee Charter, which is available at <https://www.bgcpartners.com/esg/governance> under the heading “Independent Compensation Committee” or upon written request from BGC free of charge. The Committee held 31 meetings during the year ended December 31, 2021.

### **ESG Committee**

Our Board also has an Environmental, Social and Governance (“ESG”) Committee. The members of the Committee are currently Dr. Bell and Messrs. Curwood and Mbanefo, each of whom is an independent director. Mr. Curwood serves as chair, replacing Dr. Bell in April 2022. Mr. Curwood has determined not to stand for re-election at the Annual Meeting. The Committee is responsible for working with management to review ESG initiatives and procedures appropriate to the Company, to provide periodic review of ESG practices and policies and to review management’s current ESG strategy to ensure the Company engages in appropriate practices



and technologies and otherwise make recommendations on these matters to the full Board. The Committee operates pursuant to an Environmental, Social and Governance Committee Charter, which is available at <https://www.bgcpartners.com/esg/governance> under the heading “Independent Environmental, Social and Governance Committee,” or upon written request from us free of charge. The Committee was formed in April 2021. The Committee held 4 meetings during 2021.

### **Nominating Process**

All directors participate in the consideration of director nominees recommended for selection by a majority of the independent directors as defined by the published listing requirements of Nasdaq. Accordingly, our Board does not have a separate nominating committee or committee performing similar functions and does not have a nominating committee charter. Our Board believes that such participation of all directors is appropriate given the size of our Board and the level of participation of all of our independent directors in the nomination process. Our Board will also consider qualified director candidates identified by a member of senior management or by a stockholder. However, it is our general policy to re-nominate qualified incumbent directors, and, absent special circumstances, our Board will not consider other candidates when a qualified incumbent consents to stand for re-election. A stockholder wishing to submit a recommendation for a director candidate should follow the instructions set forth in this Proxy Statement under the section below entitled “Communications with Our Board of Directors.”

### **Qualification Criteria and Diversity**

Our Board considers the following minimum criteria when reviewing a director nominee: director candidates must (1) have the highest character and integrity, (2) be free of any conflict of interest which would violate applicable laws or regulations or interfere with the proper performance of the responsibilities of a director, (3) possess substantial and significant experience which would be of particular importance in the performance of the duties of a director, (4) have sufficient time available to devote to our affairs in order to carry out the responsibilities of a director, and (5) have the capacity and desire to represent the best interests of our stockholders. In addition, the Board considers as one factor among many the diversity of Board candidates, which may include diversity of gender, age and ethnicity. See “Environmental, Social and Governance Policies and Practices (ESG/Sustainability) — Board Diversity.” The Board also considers diversity of skills and experience, as well as geographic background. Our Board screens candidates, does reference checks and conducts interviews, as appropriate. Our Board does not evaluate nominees for director any differently because the nominee is or is not recommended by a stockholder.

With respect to qualifications of the members of the Board, the Board generally values the broad business experience and independent business judgment in the financial services or in other fields of each member. Specifically, Mr. Curwood is qualified based on his experience in the global business world and his media experience. Mr. Lutnick formerly served on the Board of Managers of Haverford College with Mr. Curwood. Mr. Moran is qualified as a result of his experience in the financial services industry, his general business experience, and his status as an audit committee financial expert. Dr. Bell is qualified based on her experience as a university academic manager, as an academic researcher and professor in economics, and as a former director of a fully electronic exchange. Mr. Richards is qualified based on his global business experience and his status as an audit committee financial expert. Mr. Mbanefo is qualified as a result of his broad experience in the financial services industry, his general business experience, and his status as an audit committee financial expert.



The director qualifications matrix below summarizes some of the key attributes that the Board has identified as particularly valuable to the effective oversight of the Company and the execution of the Company's corporate strategy. This director qualifications matrix is not intended to be an exhaustive list of each of the director nominees' skills or contributions to the Board.

<b>Skills and Experience</b>	<b>Bell</b>	<b>Curwood (1)</b>	<b>Lutnick</b>	<b>Moran (2)</b>	<b>Richards</b>	<b>Mbanefo</b>
Business Operations	X	X	X	X	X	X
Finance/Accounting	X	X	X	X	X	X
Risk Management	X		X	X		X
Global Business	X	X	X	X	X	X
Human Capital Management	X	X	X	X		
M&A			X	X		X
Other Public Company Board Service and Governance		X	X	X		
Environmental	X	X	X	X	X	
Global Financial Markets	X	X	X	X		X
Brokerage			X			X
Regulatory	X		X	X		
Innovation and Strategy	X	X	X	X	X	X
Ethics and Integrity	X	X	X	X	X	X
Senior Leadership/CEO	X	X	X	X	X	X
Technology/Information Security	X	X	X	X		

(1) Mr. Curwood has determined not to stand for re-election at the Annual Meeting.

(2) Mr. Moran has determined not to stand for re-election at the Annual Meeting.

### Chairman of the Board

Our Board has determined that in light of Mr. Lutnick's control of the vote of our Company through his control of Cantor, having a separate Chairman of the Board and CEO is not efficient or appropriate for our Company. Additionally, our Board does not have a lead independent director for the same reasons.

We believe that the Company and its stockholders are best served by having Mr. Lutnick, our Chief Executive Officer, serve as Chairman of the Board. Mr. Lutnick's combined role as Chairman of the Board and Chief Executive Officer promotes unified leadership and direction for our Board and executive management, and it allows for a single, clear focus for the chain of command to execute our strategic initiatives and business plans. Our strong and independent Board effectively oversees our management and provides vigorous oversight of our business and affairs and any proposed related party transactions. Our Board is composed of independent, active and effective directors. Five of our current six directors meet the independence qualifications in accordance with the published listing requirements of Nasdaq and the SEC and our Board's standards for determining director independence. Mr. Lutnick is the only member of executive management who is also a director. Requiring that the Chairman of the Board be an independent director is not necessary to ensure that our Board provides independent and effective oversight of our business and





affairs. Such oversight is maintained at the Company through the composition of our Board, the strong leadership of our independent directors and Board committees, and our highly effective corporate governance structures and processes.

### **Corporate Governance Guidelines**

The Board has adopted Corporate Governance Guidelines that provide the framework for the governance of the Company. The Guidelines address, among other things, the composition and structure of the Board, including membership criteria, independence standards and limits on other directorships, duties and responsibilities of directors, meeting procedures, committees of the Board, executive officer leadership development and stockholder engagement, including with respect to ESG matters. The Board reviews these principles and other aspects of governance annually. The Guidelines are available at <https://www.bgcpartners.com/esg/governance> under the heading “Corporate Governance Guidelines” or upon written request from the Company free of charge.

### **Executive Sessions**

In order to comply with Nasdaq rules, the Board has resolved that it will continue to schedule and/or provide opportunities during at least two meetings per year in which the independent directors will meet without the presence of Mr. Lutnick.

### **Annual Meetings**

The Corporate Governance Guidelines provide that each member of the Board is expected to attend Annual Meetings of Stockholders of the Company. At the 2021 Annual Meeting of Stockholders, held on November 22, 2021, all of the Company’s directors were in attendance.

### **Communications with Our Board of Directors**

Stockholders may contact any member of our Board, including to recommend a candidate for director, by addressing their correspondence to the director, c/o BGC Partners, Inc., 499 Park Avenue, New York, NY 10022, Attention: Corporate Secretary. Our Corporate Secretary will forward all such correspondence to the named director. If you wish to submit any proposal to be considered at our 2023 annual meeting of stockholders, please follow the instructions set forth in the section below entitled “Stockholder Proposals.”

### **The Board’s Role in Risk Oversight**

Risk oversight is an integral part of Board and Committee deliberations throughout the year. The Audit Committee oversees the management of our enterprise risk management program, and it annually reviews an assessment prepared by management of the critical risks facing us, their relative magnitude and management’s actions to monitor and mitigate these risks.

Our management implemented an enterprise risk management program to enhance our existing processes through an integrated effort to identify, evaluate and manage risks that may affect our ability to execute our corporate strategy and fulfill our business objectives. The activities of the enterprise risk management program entail the identification, prioritization and assessment of a broad range of risks (e.g., strategic, operational, cybersecurity and information security, financial, legal/regulatory, credit, reputational and market) and the formulation of plans to mitigate their effects.

Our Board generally discusses cybersecurity and information security risks annually with the Chief Information Officer and the Chief Information Security Officer.



Similarly, in designing and implementing our executive compensation program, the Compensation Committee takes into consideration our operating and financial objectives, including our risk profile, and considers executive compensation decisions based in part on incentivizing our executive officers to take appropriate business risk consistent with our overall goals and risk tolerance.

Non-executive brokers, managers and other professionals are generally compensated based upon production or commissions, which may involve our committing to certain transactions. These transactions may expose the Company to risks by individual employees, who are motivated to increase production. While we have in place management oversight and risk management policies, there is an inevitable conflict of interest between our compensation structure and certain trading, transactional, or similar risks on a portion of our businesses.

### **Succession Planning**

From time to time, the Board discusses succession planning, including our consideration of succession strategy, the impact of any potential absence due to illness or leave of certain key executive officers or employees, as well as competing demands on the time of certain of our executive officers who also provide services to Cantor, Newmark, and various other ventures and investments sponsored by Cantor. Our Board also discusses from time to time, as part of its succession planning, engagement and encouragement of future business leaders and the process of introducing directors to leaders in our business lines. The Board also considers hiring and retention of leaders required for the changing business landscape and to lead future business lines. At the business and departmental levels, managers discuss and identify potential talent, opportunities for employee growth, successors, and future leaders.

## **ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES AND PRACTICES (ESG / SUSTAINABILITY)**

### **Environmental, Social and Governance (“ESG”) / Sustainability Information**

We believe that our environmental, social and governance (“ESG”) policies and practices will create sustainable long-term value for BGC, our stockholders and other stakeholders, our clients and our employees while also helping us mitigate risks, reduce costs, protect brand value, and identify market opportunities. We are embedding social and human capital, employment, environmental, sustainability, charitable and corporate governance policies and practices into our corporate strategy, compensation, disclosure, and goals to maintain and advance long-term stockholder value.

In April 2021, we established a Board-level ESG Committee to provide oversight with respect to our ESG policies and practices. The ESG Committee charter may be found on our website at <https://www.bgcpartners.com/esg/governance> under the heading “ESG Governance.” With the Board’s and the ESG Committee’s oversight, we are embedding social and human capital, employment, environmental, sustainability, charitable and corporate governance policies and practices into our corporate strategy, compensation, disclosure, and goals to maintain and advance long-term stockholder value.

For more information about these topics, new and evolving initiatives and specific examples of policies and practices, see our website at <https://www.bgcpartners.com/esg> and “Additional ESG/Sustainability Information” below. Unless the context indicates otherwise, references in this ESG section to our “employees” includes our professionals who are independent contractors.

### **Our Fundamental Values**

BGC is an organization built on strong values, employee engagement and ownership. We value hard work, innovation, superior client service, strong ethics and governance, and equal opportunities. And, philanthropy is woven into our corporate culture. We believe these values foster sustainable, profitable growth. We strive to be exemplary corporate citizens and honor high ethical



principles in our interactions with other businesses, our employees and the communities in which we live and work. We take corporate social responsibility and sustainability seriously: we want to contribute to the common good. Set forth below is a discussion of many of our ESG and sustainability policies and practices. These are our values in action.

## **Human Capital and Social Policies and Practices**

We are committed to our people, our stakeholders and the community as a whole. We have a variety of programs to incentivize and support our employees, from employee ownership to comprehensive benefits and training. We are also committed to equal opportunity, diversity and other policies and practices designed to fulfill our commitment to social and human capital development.

### **Attracting and Retaining the Best Talent**

Our success depends on our ability to attract and retain talented, productive and skilled brokers and technologists and other employees to transact with our customers in a challenging and regulated environment that is experiencing ever-increasing competition for talent. We are investing in creating a diverse, inclusive and incentivized work environment where our people can deliver their best work every day.

### **Retention Measures**

In order to retain and hire additional workforce, we have increased our flexible work arrangements, where appropriate, and made compensation adjustments, established additional corporate opportunities and provided additional benefits including a 401(k) match for many of our U.S. support employees.

We have taken significant measures to develop a safe work environment for all employees, which is conducive to work in our office locations, particularly for front-office brokers and revenue generating employees, subject to applicable state and local regulatory requirements. We have established a more flexible hybrid approach in many instances for non-revenue generating roles or for roles which are not office dependent, where appropriate. We have established vaccination requirements in accordance with applicable laws, including time-off for vaccines, coverage for COVID-19 testing and enhanced sick leave. We continue to offer employee assistance programs and additional avenues for mental health consultation and wellness. We continue to take significant steps to protect our employees and encourage them all to get vaccinated.

### **Performance-Based and Highly Retentive Compensation Structure**

Virtually all of our executives and front-office employees have equity or partnership stakes in the Company and its subsidiaries and generally receive grants of deferred equity or LPUs as part of their compensation. As of September 30, 2022, our employees, partners, executive officers and directors owned approximately 18% of our equity, on a fully diluted basis.

We issue LPUs as well as other forms of equity-based compensation, including grants of exchangeability into shares of Class A common stock, par value \$0.01 per share (the “Class A common stock”), and grants of shares of restricted stock, to provide liquidity to our employees, to align the interests of our employees and management with those of common stockholders, to help motivate and retain key employees, and to encourage a collaborative culture that drives cross-selling and revenue growth. These LPUs, which may be redeemed at any time for zero, and shares of restricted stock, which are subject to forfeiture if the non-compete, confidentiality or non-solicit provisions of the BGC Holdings, limited partnership agreement are violated, are also extremely retentive. In addition, we pay amounts due to a partner upon termination of service over a number of years in order to ensure compliance with post-termination partner obligations.



We also enter into various agreements with certain of our employees and partners whereby these individuals receive loans which may be either wholly or in part repaid from the distributions that these individuals receive on some or all of their LPUs and from proceeds of the sale of the employees' shares of our Class A common stock or may be forgiven over a period of time. From time to time, the Company may also enter into agreements with employees and partners to grant bonus and salary advances or other types of loans. These advances and loans are repayable in the timeframes outlined in the underlying agreements.

#### **Clawbacks and Incentives**

The highly retentive nature of our partnership units, certain of which may be redeemed for zero at any time by the Compensation Committee, as well as partnership obligations under the BGC Holdings Partnership Agreement, provide broad discretion and significant clawback power to the Compensation Committee. Accordingly, we do not have a separate general compensation recovery or "clawback" policy for our executive officers and others. See "Compensation, Discussion and Analysis—Clawback, Forfeiture and Recoupment."

We also enter into various agreements with certain of our employees and partners whereby these individuals receive loans which may be either wholly or in part repaid from the distributions that these individuals receive on some or all of their LPUs or may be forgiven over time. These loans provide incentives and promote retention.

#### **Employee Diversity, Inclusion and Equal Opportunity**

We believe that by cultivating a dynamic mix of people and ideas, we enrich the performance of our businesses, the experience of our increasingly diverse employee base, and our unique communities. We are committed to equal opportunity, diversity and other policies and practices that seek to further our development of a diverse and inclusive workplace. We consider all qualified applicants for job openings and promotions without regard to race, color, religion or belief, sex, sexual orientation, gender identity or reassignment, national origin or ancestry, age, disability, service in the armed forces, pregnancy or maternity, familial status, marriage and civil partnership, genetic information or any other characteristic that has no bearing on the ability of employees to do their jobs well. We continue to develop initiatives to support these values.

Our recruitment, promotion and compensation processes are designed to enable us to treat employees fairly, and our compensation decisions are differentiated based on performance.

Talent remains at the core of who we are as a company, and we remain committed to having a culture built around inclusion and developing a diverse workforce. We continue to work to enhance our ability to attract, develop and retain top talent with an emphasis on increasing representation of traditionally underrepresented groups at all levels of the organization, encompassing early careers to experienced hiring, retention and development initiatives with a focus on diversity and inclusion. Our goal is to build an even more successful organization that more closely reflects the population at large.

Our Network of Women ("NOW") program supports the recruitment, development and retention of women across our organization to advance our businesses and reputation. NOW offers a variety of opportunities, tools, events and workshops to help our employees make new professional contacts, find mentors, gain knowledge and develop their careers. These events and activities also allow our employees to support one another through a valuable exchange of experiences, advice and best practices for career success.

A number of initiatives across our geographic regions are in place to promote our corporate values and foster greater diversity and inclusion. Such examples include early career work experiences and internship programs focusing on diverse talent, mentorship programs, and initiatives to foster women's leadership. In the U.K., we have signed up to HM Treasury's Women in Finance Charter, which commits signatory firms to set percentage targets to increase the proportion of women in senior roles and publicly report on their progress in seeking to meet these targets.



### **Employee Engagement, Communication, Management and Leadership Training and Development**

We are investing in our employees' long-term development and engagement by delivering training and development programs and a culture where our people can thrive and maximize their potential. We require annual regulatory training in anti-money laundering and anti-crime, cyber-security and workplace respect and inclusion, among other topics. We also provide or support periodic job-specific and other developmental training and support for our employees so they can maximize their potential, as well as a tuition reimbursement program to eligible employees.

We provide leadership training to managers on topics including management effectiveness, communication skills and delivering effective performance evaluations, unconscious bias and various other topics. This training is supplemented by a library of online training courses that managers and employees may access. Finally, our individual business lines offer ongoing learning and development opportunities tied to deepening the subject matter expertise of their professionals. Further, we offer summer and fall intern and early career programs in various parts of our businesses, including technology, and within the businesses regionally.

Our success depends on employees understanding how their work and engagement contribute to our strategy, culture, values, and regulatory environment. We use various channels to facilitate open and direct communication, including internal calls and meetings with employees, training and policy updates, employee resource groups, such as NOW, and social and family outings and events.

### **Our Environmental Focus, Environmental Markets and Sustainable Business Practices**

We are focused on the environment and recognize the importance of treating our natural resources with the greatest respect, so that they are available to future generations. As a responsible business operating within financial services, we are actively aware of climate change and other major issues affecting the environment. Our BGC Environmental Brokerage Services is a leader in the world's environmental and green energy markets. Our environmental brokerage services business provides expert innovative carbon offset solutions and advice to the world's green energy markets, from transactions and financing to technology and consulting. For decades, we have helped clients worldwide navigate the complex financial requirements in order to achieve their environmental initiatives, in the process contributing to dramatically reduced emissions and the promotion of renewable energy. For more information on BGC Environmental Brokerage Services, please visit <https://www.bgcebs.com>.

In our workplaces, we are studying how to make our own contribution to state, national and global environmental initiatives and to require the same of our vendors and suppliers when doing business with us. As part of this, we are considering how to minimize our future carbon footprint when planning office renovations and will continue to focus our attention in the near term on methods of reducing our greenhouse gas emissions, increasing use of renewable energy, conserving water, and reducing waste generation.

BGC supports sustainable business practices and is focused on the steps necessary to establish a sustainability program internally as we focus on our own real estate usage. Building operations have a significant impact on the environment, and as technology continues to place greater demands on building systems for power and cooling, energy consumption is expected to continue to rise at an unsustainable rate. We believe it is our responsibility to improve energy efficiency and reduce energy consumption to protect the environment through continuous improvement of building practices. We understand that sustainable buildings provide a better work environment, increase building efficiency and reduce the environmental impact of our own building operations. We continue to work on these initiatives.

To learn more about policies and practices and our continuing efforts related to Human Capital Management, as well as ESG matters, please refer to the ESG / sustainability section of our website at <https://www.bgcpartners.com/esg> for further information and Item 1 "Business" under the heading "Human Capital Management" in our Annual Report on Form 10-K. You will also find our



Corporate Governance Guidelines, our Code of Business Conduct and Ethics, the charters of the committees of our Board of Directors, our Hedging Policy, information about our charitable initiatives and other sustainability and ESG policies and practices on our website and in our annual proxy statement. The information contained on, or that may be accessed through, our websites or others referenced herein, is not part of, and not incorporated into, this proxy statement.

For more information about these initiatives as they evolve, visit our website at <https://www.bgcpartners.com/esg/environmental>.

### **Business Continuity and Resiliency**

We are implementing additional sustainability policies and practices to protect the continuity of our businesses and operations to maintain and advance long-term stockholder value. These policies and practices include disaster recovery and crisis management protocols to minimize the impact of the COVID-19 pandemic and other health emergencies and natural or other disasters, Hurricane Sandy and the September 11, 2001 terrorist attacks, on our operations. We maintain three concurrent data centers in the United States and three data centers in the United Kingdom, providing backup of our computer systems and capacity for our employees to work remotely during crises. These policies and practices enable our employees to maintain a high level of performance while working in offices or remotely during the COVID-19 pandemic in compliance with relevant rules and regulations in applicable jurisdictions and in preservation of the health, safety and welfare of our workforce.

### **Charitable Policies and Practices and September 11<sup>th</sup> Twenty-Year Anniversary**

Never has our relationship with our people and others been so evident as on September 11, 2001. Following the devastating attack on our headquarters at the World Trade Center on that day, our CEO, Howard Lutnick, and our surviving employees and our affiliates created The Cantor Fitzgerald Relief Fund to take care of the families of the 658 colleagues and friends who perished on that day. We and our affiliates committed 25% of profits for five years and committed to pay for 10 years of healthcare for the families of those we lost.

Since 2001, that commitment to people has never faltered. Once a year, on the September 11th anniversary, BGC and its affiliates, in conjunction with The Cantor Fitzgerald Relief Fund (the “Cantor Relief Fund”), commemorate these 658 friends and colleagues, and 61 Eurobrokers employees, who perished on September 11, 2001. We host an annual Charity Day, where we donate our global revenue to the Cantor Relief Fund, which distributes these funds to over 150 charities worldwide. Charity Day’s unique way of creating something positive and life-affirming from the tragedy has raised nearly \$200 million since inception. The Company currently matches 100% of individual employee donations to the Cantor Relief Fund made in September of each year up to \$5,000 per individual employee. Employees have the option of designating a bona-fide charity as the beneficiary of the donation and the match. Additional charitable initiatives are in effect from time to time. In 2021, we marked the 20-year anniversary of the loss of our colleagues with a 20th anniversary Charity Day event honoring our legacy of charitable and community work and reminding others to “Never forget. Give back.”

We also support victims of disasters because we were there once and understand that feeling all too well. Over the years, Cantor Relief Fund volunteers along with some of our employee volunteers have supported schools and communities devastated by natural disaster, beginning with 19 schools in New York and New Jersey impacted by Superstorm Sandy providing \$1,000 prepaid debit cards for immediate assistance to nearly 10,000 families with children enrolled in these schools. Our volunteers often travel to those in need. A team of volunteers and employees travelled to Moore, Oklahoma to distribute \$1,000 prepaid debit cards to each family who had a child enrolled in the Moore Public School district whose house was damaged or destroyed by the 2013 tornado. In February 2018, a group of our local employees along with Cantor Relief Fund volunteers worked with school officials in the Houston, Texas area to donate \$5 million in \$1,000 prepaid cards to 5,000 of the families most severely affected by Hurricane Harvey. In January



2019, a group of more than 200 volunteers drawn from the Cantor Relief Fund, employee volunteers from BGC and its affiliates and many friends from the New York community and clients from Banco Santander and Scotiabank traveled to Puerto Rico to aid in its recovery from Hurricanes Irma and Maria. This operation distributed \$4 million in \$1,000 prepaid cards to thousands of families still suffering from the devastation.

As part of these values in action, we offer a Volunteer Time Off program to support individual employee volunteerism in the communities in which they work and live. All full and part-time regular employees are eligible to utilize one paid workday (whole day or two half-days) each calendar year to volunteer with bona fide charitable organizations of their choice. Participation is growing and as office life normalizes and pandemic measures begin to recede, we will encourage broader use of this benefit and participation by employees in charitable and community service activities within all of our office communities.

Additional information about all of our charitable efforts is available at <https://www.bgcpartners.com/charity-day>.

### Corporate Governance Policies and Practices

Our commitment to good corporate governance policies and practices is demonstrated by our Corporate Governance Guidelines, our rigorous Code of Business Conduct and Ethics (the “Code of Ethics”), the charters of the Audit, Compensation and ESG Committees of our Board, our Hedging Policy, and our other corporate governance policies and practices. Some highlights of our corporate governance policies and practices include the following:

- Independence of a substantial majority of the members of the Board;
- Only independent directors serve on each committee;
- Annual independence review of independent outside directors;
- Diverse array of personal characteristics and professional experience of the Board, with independent directors (and Audit and Compensation Committees) consisting of 20% women and 40% persons identifying as ethnically diverse; Audit Committee is chaired by an ethnically-diverse independent director and Compensation Committee is chaired by a female independent director;
- Consideration of factors including diversity of gender, age, ethnicity, skills, experience and geographic background in considering director candidates;
- Strict ethical and other criteria for membership on the Board;
- Annual election of each member of the Board – we do not have a classified (“staggered”) Board;
- The ability of our Board to require the resignation of a director who fails to obtain a majority vote for election;
- No stockholder rights plan or other “poison pill” or similar anti-takeover device;
- A prohibition on personal loans to directors and executive officers;
- Requirement for directors to inform the Board of changes in their principal job responsibilities;
- Annual evaluation of the performance of our Chief Executive Officer;
- Procedures for establishing and disseminating agendas and materials for meetings of the Board and its committees in advance;
- Periodic executive sessions of independent directors
- Detailed processes and review of all related party transactions and required approval by independent directors;
- Access of the Board and its committees to management and to retain outside independent advisors;
- Prohibitions against trading while in possession of material, non-public information;
- Prohibitions against hedging;
- Strict procedures and enforcement of our ethical standards and our conflict of interest policies, including our robust whistleblower policy – completely confidential and with a whistleblower hotline available 24/7;
- Diversified mix of cash and short- and long- term equity awards designed to be highly retentive and risk-appropriate, and to align the interests of our executive officers with those of our stockholders;
- Executive officers holding much of their personal net worth in our and our affiliates’ equity;
- Robust global annual review and oversight of Code of Ethics responses;



- Limits on the service of directors and executive officers on other public company boards;
- Director orientation and continuing education;
- Annual self-assessments of the performance of our Board and its committees and individual directors;
- Annual review of our corporate governance policies and practices; and
- Succession planning and management development of executive officers and potential senior managers having significant responsibility for business areas;
- Annual stockholder say-on-pay votes;
- Annual ratification of the appointment of our independent registered public accounting firm;
- Our Board-level ESG Committee.

### Board Diversity Matrix

The table below provides certain highlights of the composition of our Board members as of December 1, 2022. Each of the categories listed in the below table has the meaning as it is used in Nasdaq Rule 5605(f).

<b>Board Size:</b>				
Total Number of Current Directors	6			
<b>Gender:</b>	<b>Male</b>	<b>Female</b>	<b>Non-Binary</b>	<b>Gender Undisclosed</b>
Number of directors based on gender identity	5	1	—	—
<b>Number of directors who identify in any of the categories below:</b>				
African American or Black	1	—	—	—
Alaskan Native or American Indian	—	—	—	—
Asian	—	—	—	—
Hispanic or Latinx	—	—	—	—
Native Hawaiian or Pacific Islander	—	—	—	—
White	3	1	—	—
Two or More Races or Ethnicities	1	—	—	—
LGBTQ+	—			
Undisclosed	—			

### Whistleblower Complaint and Investigation Procedures for Accounting, Internal Controls, Auditing Matters and Employment and Labor Practices

We have a policy regarding reporting of complaints about accounting, internal controls, employment and labor practices, auditing matters, or questionable financial practices. The policy is designed to provide a channel of communication for employees and others who have concerns about our conduct or any of our directors or employees. Complaints are treated seriously and handled expeditiously. Any person may submit a complaint to our independent outside law firm to a dedicated hotline and email account available 24 hours a day, 7 days a week. Complaints that are accounting or financial in nature (“Accounting Complaints”) will be handled by the Chair of our Audit Committee and/or by our General Counsel, Corporate Secretary or designee.

Employees submitting an Accounting Complaint need not provide their names or other personal information and reasonable efforts will be used to conduct the investigation that follows from an Accounting Complaint from an employee in a manner that protects the confidentiality and anonymity of the employees submitting the Complaint.





Employees are reminded of the Whistleblower Policy at least annually and information is provided in more than a dozen local languages. We honor a culture of investigation, confidentiality and non-retaliation. Persons submitting complaints in good faith will not be subject to retaliation and the policy does not prohibit other actions protected under applicable law. Our whistleblower policy is publicly available on our website at <https://www.bgcpartners.com/esg/governance> under the heading “Whistleblower Complaint and Investigation Procedures for Accounting, Internal Controls, Auditing Matters and Employment and Labor Practices.”

#### **Code of Business Conduct and Ethics and Professional Integrity**

Our corporate values and strong policies and procedures regarding ethics, conflicts of interests, related party transactions and similar matters are contained in our Code of Ethics. This commitment applies to members of our Board, executive officers, other officers and our other covered employees globally. The Code of Ethics and its training modules are circulated in multiple local languages and training and certifications are conducted annually worldwide using our online training platform. Annual written certifications are required. Potential violations and disclosures globally are reviewed annually by executive management and escalated to the Audit Committee. Director and executive officer disclosures are reviewed by the Audit Committee on an annual basis. The Code of Ethics is available on our website at <https://www.bgcpartners.com/esg/governance/> under the heading “Code of Business Conduct and Ethics and Professional Integrity.” In 2021, we adopted a global anti-bribery and corruption policy. See “Compliance and Anti-Financial Crime Policy and Bribery and Corruption” below.

#### **Compliance and Anti-Financial Crime Policy and Bribery and Corruption**

We are committed globally to our policy regarding anti-money laundering and anti-financial crime, including anti-bribery and corruption, counter-terrorism financing and anti-fraud. We are committed to compliance and training regarding all relevant laws, rules, and regulations designed to combat bribery and corruption, including, but not limited to, the UK Bribery Act of 2010 and the U.S. Foreign Corrupt Practices Act of 1977. Further information on this policy can be found on our website at the following link: <https://www.bgcpartners.com/esg/governance> under the heading “Compliance & Anti-Financial Crime Program.”

In addition, our Code of Ethics provides that we will not enter into a business relationship or engage in an activity if we know or have reasonable grounds to suspect that a business relationship or activity is connected with or facilitates bribery or corruption. It is the responsibility of each person covered under the Code of Ethics to comply with applicable anti-bribery and corruption laws. Persons covered under the Code of Ethics are required to report any suspicions of bribery or corruption to the Compliance Officer or, as appropriate, to the Audit Committee or the Board, or in accordance with our Whistleblower Policy. For more information on our Code of Ethics and Whistleblower Policy, see the section entitled “Code of Ethics and Whistleblower Procedures” in this Proxy Statement.

#### **2021 Global Anti-Bribery and Corruption Policy**

In 2021, we implemented a global policy to combat bribery and corruption through a clear set of policies and procedures outlining anti-bribery and corruption standards, procedures and annual employee training. The policy specifically defines Bribery and Corruption and provides for management and Board oversight. Further information on this policy can be found on our website at the following link: <https://www.bgcpartners.com/esg/governance> under the heading “2021 Global Anti-Bribery and Corruption Policy.”

#### **Compliance & Anti-Financial Crime Program**

We are committed globally to our policy regarding anti-money laundering and anti-financial crime, including anti-bribery and corruption, counter-terrorism financing and anti-fraud. Further information on this policy can be found on our website at the following link: <https://www.bgcpartners.com/esg/governance> under the heading “Compliance & Anti-Financial Crime Program.”



## **Annual Risk Evaluation and Board-Level Risk Oversight**

The Board of Directors meets at least annually with our senior risk officer to review and evaluate our enterprise risk framework, risk management policies and practices, credit and risk mitigation policies and practices, and other related issues.

During the first two months of the COVID-19 pandemic, the Board engaged in weekly meetings to discuss the COVID-19 response and received updates and provided guidance to management as the pandemic unfolded.

## **Focus on our Internal Control Environment**

As described more fully in its Charter, the primary function of the Audit Committee is to assist the Board of Directors in its general oversight of the Company's financial reporting, internal control over financial reporting and audit process. Management is responsible for the preparation, presentation and integrity of the Company's financial statements; accounting and financial reporting principles; internal control over financial reporting; disclosure controls; and procedures designed to ensure compliance with accounting standards, applicable laws and regulations.

In particular, our overall control environment is a focal point for our management, the Audit Committee and the Board. With this focus and with the oversight of the Audit Committee and the Board, management has taken steps to further enhance our overall control environment.

## **Cyber-Security and Informational Security Program**

We are committed on a global basis to combating the global threat of cyber-attacks and to securing our business through our information security programs to operate with confidence, through a deep understanding of cyber-security risks, vulnerabilities, mitigations, and threats. We have a global cyber-security program applicable to all subsidiaries and business lines. We conduct periodic internal and external vulnerability audits and assessments and penetration testing and provide periodic cyber-security training to employees. Further information on this program can be found on our website at the following link: <https://www.bgcpartners.com/esg/governance> under the heading "Cyber-Security and Informational Security Program."

## **Data Privacy Policy**

We have a global data privacy policy applicable to all subsidiaries and business lines. We are committed to conducting our business in line with the right to privacy set forth in the Universal Declaration of Human Rights (Article 12). As such, we are committed to handling personal data responsibly and recognize the privacy rights of persons involved in our business dealings. Our policy provides a mechanism for data subjects to raise concerns about personal data and privacy as well as a right of access to personal information, rights to correct or amend such information and the right to request deletion of such personal information. Further information on this program can be found on our website at the following link: <https://www.bgcpartners.com/esg/governance> under the heading "Data Privacy Policy."

## **Hedging Policy**

We have a policy with respect to hedging of equity securities issued by BGC (collectively, "Company Equity Securities"). In this regard, we prohibit our directors and employees, including our officers, from purchasing financial instruments (including prepaid variable forward contracts, equity swaps, collars, and exchange funds), or otherwise engaging in transactions that are designed to or have the effect of hedging or offsetting any decrease in the market value of Company Equity Securities held by such persons, except with the explicit approval of our Audit Committee or its designees. For avoidance of doubt, Cantor and its affiliated entities or any securities issued by such entities other than BGC are not covered under this Hedging Policy.



#### **Additional ESG / Sustainability Information**

To learn more about these policies and practices and our continuing efforts related to ESG and sustainability matters, please refer to the ESG / sustainability section of our website at <https://www.bgcpartners.com/esg> and to our periodic reports filed under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) for further information. You may also find our Corporate Governance Guidelines, Code of Ethics, the charters of the committees of our Board of Directors, Hedging Policy, Environmental Policy, information about our charitable initiatives and other sustainability and ESG policies and practices on our website. The information contained on, or that may be accessed through, our websites or other websites referenced herein, is not part of, and not incorporated into, this Proxy Statement.



## STOCKHOLDER ENGAGEMENT

Our Board and management value the opportunity to engage with our stockholders and gain insight year-round on their views on a broad range of topics, including our strategy, financial performance, executive compensation, corporate governance, human capital management, including diversity and inclusion, and environmental and social goals. Our Board receives reporting on feedback from investors and stockholder voting results. In addition, our management routinely engages with investors at conferences and other forums. We also speak with proxy advisors to discuss, and receive feedback on, our governance practices and executive compensation programs. Feedback from investors informs our Board's ongoing review of governance and compensation matters.

In recent years, we have also enhanced our engagement strategy through:

- Information available on our website including SEC alerts, more detailed financial and operational disclosures in our investor presentations and supplemental Excel tables;
- Commercial real estate-focused market reports, white papers, and thought leadership; and
- Investor meetings, analyst and investor days, and conferences, including over 250 investor and analyst interactions in 2021.

In 2021 we reached out to institutions who collectively represented the majority of our shares held by active investors. These interactions covered topics including industry trends, business trends and strategy, capital allocation, geographic and business line expansion, our recruitment and retention policies, key drivers of our growth, ESG, corporate governance matters, board composition and diversity, our executive compensation program, and ways to enhance our disclosures. We also periodically engage a third-party research firm to conduct anonymous surveys of our top institutional owners and the broader investment community to solicit candid feedback on these and other issues.

We look forward to further expanding our communication with stockholders and will continue to consider their views and perspectives, as appropriate, in making governance decisions and establishing strategic direction for the Company going forward.



## INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Our executive officers are appointed annually by our Board and serve at the discretion of our Board. In addition to Mr. Lutnick, our Chief Executive Officer, who also serves as a member of the Board, our executive officers, their respective ages and positions and certain other information with respect to each of them are as follows:

**Sean A. Windeatt**, 49, has been our Chief Operating Officer since January 2009 and was our Interim Chief Financial Officer from December 2018 until December 31, 2019. Mr. Windeatt has been Executive Managing Director and Vice President of BGC Partners from 2007 to 2009 and served as a Director of Cantor Fitzgerald International from 2004 to 2007. Mr. Windeatt also provides services to our operating partnerships and subsidiaries. Mr. Windeatt also served as a Business Manager and member of the finance department of Cantor Fitzgerald International from 1997 to 2003.

**Jason W. Hauf**, 54, has been our Chief Financial Officer since June 6, 2022. Prior to his time at the Company, Mr. Hauf was at Exos Technology and Financial Partners, a private firm specializing in financial services for B2B institutional finance starting in 2017, and where he served as Managing Director and Chief Financial Officer from 2018 to 2022. Prior to his time at Exos, Mr. Hauf was Managing Director and Chief Financial Officer at Royal Bank of Scotland, Corporate and Institutional Banking Division, Americas and Vice President of AIG Financial Products Corp. He began his career at Coopers & Lybrand, where he was a Manager. Mr. Hauf holds a B.S. in Accounting from the University of Delaware.

**Stephen M. Merkel**, 64, has been our Executive Vice President and General Counsel since September 2001 and was our Senior Vice President, General Counsel and Secretary from June 1999 to September 2001. Mr. Merkel was our Secretary from September 2001 until January 2019. Mr. Merkel served as a director of our Company from September 2001 until October 2004. Mr. Merkel has been Executive Managing Director, General Counsel and Secretary of Cantor since December 2000 and was Senior Vice President, General Counsel and Secretary of Cantor from May 1993 to December 2000. He joined Cantor in 1993 and oversees all legal and compliance functions. Mr. Merkel has been Executive Vice President, Chief Legal Officer of Newmark since January 2019 and was its Corporate Secretary from December 2017 to January 2019. Prior to joining Cantor, Mr. Merkel was Vice President and Assistant General Counsel at Goldman Sachs & Co. From September 1985 to January 1990, Mr. Merkel was an associate with the law firm of Paul, Weiss, Rifkind, Wharton & Garrison. Mr. Merkel is a founding board member of the Wholesale Markets Brokers' Association, Americas. Mr. Merkel graduated with a B.A. magna cum laude from the University of Pennsylvania and received his law degree from the University of Michigan School of Law.



## EXECUTIVE COMPENSATION INFORMATION

### Introduction

#### *Newmark IPO, Separation Transaction and Spin-Off and its Effect on BGC's Compensation*

On December 19, 2017, our subsidiary Newmark Group, Inc. ("Newmark"), completed its initial public offering (the "IPO"). Through the following series of transactions prior to and following the completion of the Separation (as defined below) and the IPO, Newmark became a separate publicly traded company. Prior to the closing of the IPO, on December 13, 2017, the Company, BGC Holdings, BGC U.S. OpCo, Newmark, Newmark Holdings, L.P. ("Newmark Holdings"), Newmark OpCo and, solely for the provisions listed therein, Cantor and BGC Global OpCo entered into the Separation and Distribution Agreement (such agreement, as amended from time to time, the "Original Separation and Distribution Agreement"). Pursuant to the Original Separation and Distribution Agreement, BGC, BGC Holdings and BGC U.S. OpCo and their respective subsidiaries (other than the Newmark group (defined below), the "BGC group") transferred to Newmark, Newmark Holdings and Newmark OpCo and their respective subsidiaries (the "Newmark group") the assets and liabilities of the BGC group relating to BGC's Real Estate Services business (such series of transactions that resulted in the transfer are herein referred to as the "Separation").

In connection with the Separation, Newmark Holdings limited partnership interests, Newmark Holdings founding partner interests, Newmark Holdings working partner interests and Newmark Holdings limited partnership units were distributed to holders of BGC Holdings limited partnership interests, BGC Holdings founding partner interests, BGC Holdings working partner interests and BGC Holdings limited partnership units in proportion to such interests of BGC Holdings held by such holders immediately prior to the Separation. As holders of BGC Holdings limited partnership units, the executive officers of the Company received units of Newmark Holdings in connection with the Separation of Newmark.

On November 30, 2018, we completed our distribution (the "Spin-Off") of all of the shares of Class A common stock and Class B common stock, par value \$0.01 per share (the "Class B common stock") of Newmark held by us to our stockholders as of the close of business on November 23, 2018 through a special pro-rata stock dividend pursuant to which shares of Newmark's Class A common stock held by BGC were distributed to holders of the Class A common stock of BGC and shares of Newmark's Class B common stock held by BGC were distributed to holders of the Class B common stock of BGC (which holders of Class B common stock of BGC were Cantor and another entity controlled by our CEO, Howard W. Lutnick). Following the Spin-Off, BGC no longer held any shares of Newmark.

As a result of the Separation and Spin-Off, and due to the fact that (i) certain BGC awards granted pursuant to the BGC Compensation Plans prior to the Separation became, upon the Separation, awards of interests in both BGC and Newmark entities and (ii) prior to the Spin-Off, (a) certain awards granted pursuant to the BGC Compensation Plans were previously exchangeable for interests in Newmark and (b) certain executives may receive or have received awards under the Newmark Compensation Plans (as defined below), when we refer generally to partnership units that may be awarded as part of compensation (i.e. NPSUs, PSUs, PPSUs, LPUs and PLPUs) we are referring to such units as may be awarded under both the BGC Compensation Plans and the Newmark Group, Inc. Long Term Incentive Plan (the "Newmark Equity Plan"), the Newmark Group, Inc. Incentive Bonus Compensation Plan (the "Newmark Incentive Plan"), and the Newmark Holdings, L.P. Participation Plan (the "Newmark Participation Plan" and collectively, with the Newmark Equity Plan and the Newmark Incentive Plan, the "Newmark Compensation Plans"). When we refer to specific awards, we are referring to awards under the BGC Compensation Plans, unless otherwise indicated. The partnership transactions described in this Proxy Statement refer generally to BGC Holdings units and refer specifically to Newmark Holdings units where applicable.

To the extent that an executive officer provides services to both BGC and Newmark (such as Mr. Lutnick since Newmark's IPO and Mr. Merkel, who became an executive officer of Newmark in 2019), compensation decisions for BGC and Newmark were made



by such company's applicable compensation committee. Certain compensation decisions were ratified by the other compensation committee as required by law.

Compensation set forth below for Messrs. Lutnick and Merkel for 2019, 2020 and 2021 is for BGC on a stand-alone basis. The discussion below primarily relates to the compensation decisions by the BGC Compensation Committee and all references below are to the BGC Compensation Committee unless specifically noted. For more detailed information regarding the executive compensation of Newmark on a stand-alone basis, please see the proxy statement for Newmark's 2022 annual meeting of stockholders.

### ***Corporate Conversion***

As previously announced, on November 15, 2022 we and BGC Holdings, along with certain other entities, entered into a Corporate Conversion Agreement in order to reorganize and simplify our organizational structure by converting us from an Up-C to a "Full C-Corporation." Upon completion of the Corporate Conversion Transactions, the stockholders of BGC Partners and the limited partners of BGC Holdings will participate in the economics of the BGC businesses through the same publicly traded corporate entity, BGC Group.

In connection with the Corporate Conversion Transactions, BGC Group is expected to assume our Equity Plan, which is expected to be amended and restated to increase the number of shares of Class A common stock reserved for the grant of awards thereunder, to make certain other additional changes in connection with the Corporate Conversion Transactions, and to change the name of the Equity Plan to the "BGC Group, Inc. Long Term Incentive Plan" (the "BGC Group Plan"). All equity-based partnership and cash incentive awards that are then-outstanding under the Equity Plan and the Participation Plan are expected to be converted into cash, restricted stock and/or RSUs of BGC Group under the BGC Group Plan, with terms and conditions as set forth in the Corporate Conversion Agreement. It is also expected that, in connection with the Corporate Conversion Transactions, BGC Group will assume our Incentive Plan, as appropriately amended and restated, and renamed the "BGC Group Incentive Bonus Compensation Plan." There will no longer be any need for our Participation Plan following the Corporate Conversion Transactions.

The Corporate Conversion Agreement has been approved by our Board of Directors, at the recommendation of the independent Audit Committee and the independent Compensation Committee of the Board of Directors, sitting jointly (the "Joint Committee"). The Joint Committee has been advised by independent financial and legal advisors selected by the Joint Committee. Houlihan Lokey, Inc., as financial advisor, has provided a fairness opinion to the Joint Committee.

Please refer to "Certain Relationships and Related Transactions, and Director Independence – Corporate Conversion" for additional information on the impact of the Corporate Conversion Transactions on the compensation of our executive officers.



## COMPENSATION DISCUSSION AND ANALYSIS

### Compensation Philosophy

Our executive compensation program, which is under the direction and control of our Compensation Committee, is designed to integrate compensation with the achievement of our short- and long-term business objectives and to assist us in attracting, motivating and retaining the highest quality executive officers and rewarding them for superior performance. Different components of our executive compensation program are geared to short- and longer-term performance, with the goal of increasing stockholder value over the long term.

We believe the compensation of our executive officers should reflect their success in attaining key corporate objectives, such as growth or maintenance of market position, success in attracting and retaining qualified brokers and other professionals, increasing or maintaining revenues and/or profitability, developing new products and marketplaces, completing acquisitions, dispositions, restructurings, and other value-enhancing transactions and integrating any such transactions, as applicable, meeting established goals for operating earnings, earnings per share and increasing the total return for stockholders, including stock price and/or dividend increases, and maintaining and developing customer relationships and long-term competitive advantage. Such objectives may also include the ability to respond to extraordinary events and manage the business under changing health, environmental and financial circumstances.

Executive compensation should also reflect achievement of individual managerial objectives established for specific executive officers. Specific significant events led by executives, including acquisitions, dispositions and other significant transactions, should also be given significant weight. The performance of our executives in managing our Company, and in the provision of services to our operating partnerships and subsidiaries, considered in light of general economic and specific Company, industry and competitive conditions should be the basis for determining their overall compensation.

Although reviewed by the Committee, our policy is generally that the compensation of our executive officers should not be based on the short-term performance of our Class A common stock, whether favorable or unfavorable, since we believe that the price of our stock will, in the long term, reflect our overall performance and, ultimately, the management of our Company by our executives. Long-term stock performance is reflected in executive compensation through the grant of various equity and partnership awards as described below.

The Compensation Committee is aware that certain of our executive officers, including Messrs. Lutnick and Merkel, also receive compensation from our affiliates, including Cantor and/or Newmark, but it generally does not specifically review the nature or amount of such compensation except as described above. Additionally, during Mr. Bisgay's service as our Chief Financial Officer until June 6, 2022, he also had duties at Cantor and was paid compensation from Cantor in addition to his BGC compensation. The portion of Mr. Lutnick's compensation paid directly by Newmark is reviewed and approved by the compensation committee of the Newmark board of directors as he is also an executive officer of Newmark. Mr. Merkel became an executive officer of Newmark effective in January 2019 and his 2019, 2020 and 2021 compensation for services provided to Newmark was separately approved by the Newmark compensation committee for 2019, 2020 and 2021. Beginning in 2019, the BGC Compensation Committee did not review the nature or amount of any compensation received by Mr. Lutnick or Mr. Merkel as compensation for services provided to Newmark. None of our executive officers has received any compensation for serving as directors of BGC or Newmark. As a result of our ownership of a controlling interest in Newmark prior to the Spin-Off and the distribution of equity of Newmark and its subsidiaries in the Spin-Off and related transactions, certain of our executive officers received equity awards comprised of interests in Newmark or its subsidiaries for services to BGC prior to the Spin-Off.

GAAP compensation charges for all compensation paid by Newmark to Messrs. Lutnick and Merkel, including units and other equity awards acquired by them as a result of the Separation and Spin-Off, are taken by Newmark and appear in the Newmark





compensation disclosures because such compensation relates to the issuer for which the services are rendered. Conversely, GAAP compensation charges with respect to compensation relating to Newmark units and other equity awards acquired by the other BGC executive officers (and by BGC's independent directors) as a result of the Separation and Spin-Off are taken by BGC and appear in the BGC compensation disclosures because such executive officers (and independent directors) provide services to BGC and not to Newmark.

Our Board and our Compensation Committee determined that Messrs. Lutnick, Merkel, Windeatt and Bisgay were our executive officers for 2021. On October 1, 2020, Mr. Lynn, our former President, became Vice Chairman of the Company and no longer served as an executive officer.

## Overview of Compensation and Processes

For 2021, executive compensation was composed of the following principal components: (i) a base salary, which is designed to retain talented executive officers and contribute to motivating, retaining and rewarding individual performance; (ii) an incentive bonus award under our Incentive Plan, that is intended to tie financial rewards to the achievement of our short- or longer-term performance objectives; and (iii) an incentive program under our Equity Plan and our Participation Plan, which is designed to promote the achievement of short- and long-term performance goals, and to align the long-term interests of our executive officers with those of our stockholders through the grant of awards. In all cases, performance objectives and goals relate to the performance of our executives at the Company and in the provision of services to our operating partnerships and subsidiaries.

From time to time, we may also restructure the existing partnership and compensation arrangements of our executive officers, as described below. We may also adopt various policies related to or in addition to such restructurings, including with respect to the grant of exchange rights, other monetization of awards, and the acceleration of the lapse of restrictions on restricted stock. We may also issue potential extraordinary grants to executive officers which could be based on performance measures, including stock price increase or other measures to be specified.

From time to time, we have also used employment agreements, change of control agreements, retention agreements, and other arrangements, including some with specified target or guaranteed bonus components, and extraordinary bonuses to attract, motivate and retain talented executives. Any such specific arrangements with our executive officers are summarized below.

Our Compensation Committee, with the assistance where appropriate of special project committees or advisors, approves and recommends to our Board that it approve, the salaries, bonuses and other compensation of our executive officers. In addition, the Committee approves grants to executive officers under and otherwise administers the Incentive Plan, the Equity Plan and the Participation Plan.

From time to time, our Compensation Committee has engaged a compensation consultant in connection with its compensation decisions. With respect to 2021, Korn Ferry (the "Advisor") advised the Committee. The Committee retained the Advisor to provide surveys, information, and other assistance with respect to pay practices and compensation levels at our peer group and other companies, and the Committee discussed with the Advisor all compensation arrangements for 2021. While the Committee does take into consideration such peer data, the Committee does not attempt to benchmark our executive compensation against any level, range, or percentile of compensation paid at any other companies, does not apply any specific measures of internal or external pay equity in reaching its conclusions, and does not employ tally sheets, wealth accumulation, or similar tools in its analysis. Our Compensation Committee considered whether the Advisor had any conflicts of interest in advising the Committee. In doing so, the Committee considered whether the Advisor had been providing services of any other nature to us; the amount of fees received from us by the Advisor; the policies and procedures adopted by the Advisor that have been designed to prevent conflicts of interest; whether any



business or personal relationships existed between the consultants employed by the Advisor who worked on Company matters and any member of the Committee; whether any business or personal relationship existed between such consultants and any of our executive officers; and whether the Advisor or such consultants hold any of our Class A common stock. The Advisor is also providing similar services to Newmark. Upon evaluating such considerations, the Committee found no conflicts of interest in the Advisor advising the Committee.

Our policy for allocating between currently paid short- and long-term compensation is designed to ensure adequate base compensation to attract and retain talented executive officers, while providing incentives to maximize long-term value for our Company and our stockholders. Cash compensation is provided in the form of base salary to meet competitive salary norms and reward superior performance on an annual basis, and in the form of bonuses and awards for achievement of specific short-term goals or in the discretion of the Compensation Committee. Equity and partnership awards reward superior performance against specific objectives and long-term strategic goals and assist in retaining executive officers and aligning their interests with those of our Company and our stockholders. From time to time, we may provide additional equity or partnership awards on a periodic basis to reward superior performance, which awards may provide further long-term retention opportunities.

Base salaries for the following year are generally set for our executive officers at the year-end meetings of our Compensation Committee or in the early part of the applicable year. At these meetings, the Committee also approves the incentive bonuses under our Incentive Plan and any discretionary bonuses for executive officers and grants of equity and partnership awards under our Equity Plan and the Participation Plan to our executive officers.

At or around the year-end Compensation Committee meetings, our Chairman of the Board and Chief Executive Officer, Mr. Lutnick, makes compensation recommendations to the Committee with respect to the other executive officers. Such executive officers are not present at the time of these deliberations. With respect to its determination of the Chief Executive Officer's compensation, the Committee shall consider such information received from the Chief Executive Officer as it deems necessary or appropriate. The Committee deliberates on compensation decisions with respect to all executive officers other than Mr. Lutnick in the presence of Mr. Lutnick, and separately in executive sessions with the Advisor as to all executive officers, including Mr. Lutnick. The Committee may accept or adjust Mr. Lutnick's recommendations and makes the sole determination of the compensation of all of our executive officers. The Committee reviews and evaluates, at least annually, the performance and leadership of Mr. Lutnick as Chief Executive Officer. Based upon the results of this evaluation, and input from the Advisor, the Committee reviews and approves Mr. Lutnick's compensation.

During or around the first quarter of each fiscal year, it has been the practice of our Compensation Committee to establish annual incentive performance goals or guidelines for executive officers under the Incentive Plan, with the Committee retaining negative discretion to reduce or withhold any bonuses earned at the end of the year. In all cases, such performance measures relate to the performance of our executive officers at the Company and in the provision of services to our operating partnerships and subsidiaries. All executive officers in office at that time are eligible to participate in the Incentive Plan.

We provide long-term incentives to our executive officers through the grants of limited partnership units under the Participation Plan and exchange rights or cash settlement awards in connection with such partnership units and restricted stock and other equity grants under our Equity Plan.

In addition, executive officers may receive a portion of their Incentive Plan bonuses in equity or partnership awards, rather than cash, with the number of awards determined by reference to the market price of a share of our Class A common stock on the date that the award is granted or such other date that awards to executive officers are made generally. Historically, grants under our Equity Plan and the Participation Plan that have had vesting provisions have had time-based, rather than performance-based, vesting schedules, although both plans are flexible enough to provide for performance-based awards.



In designing and implementing our executive compensation program, our Compensation Committee considers our Company's operating and financial objectives, including our risk profile, and the effect that its executive compensation decisions will have on encouraging our executive officers to take an appropriate level of business, operational and market risk consistent with our overall goal of enhancing long-term stockholder value. In particular, the Committee considers those risks identified in our risk factors and the known trends and uncertainties identified in our management discussion and analysis, and considers how our executive compensation program serves to achieve our operating, financial and other strategic objectives while at the same time mitigating any incentives for our executive officers to engage in excessive risk-taking to achieve short-term results that may not be sustainable in the long term. Our Committee may also consider specific performance measures or grants based on specific events or particular strategic efforts or transactions.

In attempting to strike this balance, our Compensation Committee seeks to provide our executive officers with an appropriately diversified mix of fixed and variable cash and non-cash compensation opportunities, time- based and performance-based awards, and short- and long-term incentives. In particular, our performance-based bonuses under our Incentive Plan have focused on a mix of Company-wide and product-specific operating and financial metrics, in some cases based upon our absolute performance and in other cases based upon our performance relative to our peer group or other companies. In addition, our Incentive Plan award opportunities provide for the exercise of considerable negative discretion by the Committee to reduce, but not increase, amounts granted to our executive officers under the Plan, and to take individual as well as corporate performance into account in exercising that discretion. Further, the Committee retains the discretion to pay out any amounts finally awarded under the Plan in equity or partnership awards, rather than cash, and to include restrictions on vesting, resale and forfeiture in any such equity or partnership awards.

#### **Discretionary and Retentive Partnership Opportunities**

To incentivize executive officers and hold them accountable to stockholders, our Compensation Committee uses a variety of highly retentive partnership units under the Participation Plan. These partnership awards are granted as a tax-efficient, strongly retentive, and risk-appropriate means to align the interests of the executive officers with those of our long-term stockholders. For executive officers, these grants include NPSUs, along with PSUs and PPSUs for our U.S.-based executives and LPUs and PLPUs for our U.K.-based executives who have executed deeds of adherence to BGC Services (Holdings) LLP, a U.K. limited liability partnership, which we refer to as the "U.K. Partnership." The Committee believes that the features of the units, coupled with the discretion of the Committee to grant the right of partnership distributions, exchangeability into shares of Class A common stock and various liquidity opportunities, create an effective incentive award for our executives. Until such units are made exchangeable into a share of Class A common stock or exchanged for cash or, in some cases, made exchangeable into another partnership unit with a capital account such as an HDU, at the discretion of the Committee, these units are generally forfeitable for any reason, subject to certain exceptions. We believe this incentivizes performance. These partnership units may be redeemed for zero by the Committee at its discretion. Traditionally, the Committee generally has not granted options and equity-based awards such as RSUs to executives and emphasized instead these flexible and retentive limited partnership units. The Committee has recently granted NPSUs, along with PSUs/PPSUs, LPUs/PLPUs and HDUs, provided as long-term incentives to executive officers, which awards are generally coupled with performance-based grants of exchange rights and cash settlement awards. The Committee may consider RSUs and options, as well as partnership units and other forms of compensation, in future grants.

NPSUs have no value for accounting or other purposes at the time of grant, do not participate in quarterly partnership distributions, are not allocated any items of profit or loss and may not be made exchangeable into shares of Class A common stock. NPSU awards are highly discretionary and provide additional flexibility for the Compensation Committee to determine the timing and circumstances of replacing such units with units that earn partnership distributions and any rights to exchange such units for shares of Class A common stock or cash. NPSUs have generally been granted to our executives as mid-year grants or in connection with execution of long-term employment arrangements. See "—NPSU Grants and Related Replacement and Exchange Right Grants" below.



From time to time, our Compensation Committee may choose to replace an NPSU with a non-exchangeable PSU or HDU in the U.S. or an LPU in the U.K. A non-exchangeable PSU may also be replaced with a non-exchangeable HDU. A non-exchangeable PSU that has been granted the right to convert into a non-exchangeable HDU is referred to as a “PSU-H,” and a non-exchangeable PPSU that has been granted the right to be converted into cash upon conversion of the underlying PSU-H into an HDU is referred to as a “PPSU-H.” PSUs/LPUs participate in quarterly partnership distributions, but otherwise have no value for accounting purposes and are not exchangeable into shares of Class A common stock until such exchange rights are granted by the Committee. HDUs have a stated capital account and are valued based upon such capital account which is initially based on the closing trading price of Class A common stock at the time the HDU right is granted. HDUs participate in quarterly partnership distributions and are not exchangeable into shares of Class A common stock unless such exchange rights are granted by the Committee.

Executive officers may also receive PPSUs in the U.S. or PLPUs in the U.K. These units are preferred limited partnership units that may be awarded to holders of, or contemporaneously with, the grant of PSUs. PPSUs are entitled to a preferred distribution of net profits of BGC Holdings but otherwise are not entitled to participate in quarterly distributions. PPSUs/PLPUs cannot be made exchangeable into shares of Class A common stock, can only be exchanged for cash, at the determination price on the date of grant, in connection with an exchange of PSUs, LPUs or HDUs, respectively, and therefore are not included in our fully diluted share count. PPSUs/PLPUs are expected to provide a mechanism for issuing fewer aggregate share equivalents than traditionally issued in connection with our compensation and to have a lesser overall impact on our fully diluted share count. The ratio of the grant of PPSUs/PLPUs to traditional units (e.g. PSUs/LPUs) is expected to approximate the compensatory tax rate applicable in the relevant country jurisdiction of the partner recipient. The determination price used to exchange PPSUs/PLPUs for cash is determined by the Compensation Committee on the date the grant of such unit and is based on a closing trading price of Class A common stock identified by the Committee on such date.

Commencing with respect to the 2020 year-end compensation cycle, the executive officers may receive NPSUs, NPPSUs, NLPUs or, NPLPUs that are non-distribution earning initially and convert to distribution earning units 20% percent per year provided that the Company, inclusive of its affiliates, earns, in aggregate, at least \$5,000,000 in gross revenues, and the executive officer meets the service conditions, for the calendar quarter in which the conversion is to occur. These units are designated with “-CV” following the unit type for internal purposes.

Executive officers in the U.K. may also receive certain LPUs (“LPU-NEWs”) and PLPUs (“PLPU-NEWs”) or certain non-distribution earnings NLPUs (“NLPU-NEWs”) and non- distribution earning NPLPUs (“NPLPU-NEWs”) that have certain employment-related conditions to the grant of exchangeability.

Over time, as compensation goals are met and other incentives are reached by the executives, the Compensation Committee may choose, in its sole discretion, to grant an exchange right with respect to a PSU/ LPU, thereby creating a potential liquidity event for the executive and creating a value for accounting purposes. The life cycle of these units, as they may evolve from NPSUs to shares of Class A common stock, provides the Committee and the Board with superior opportunities to retain and incentivize executives and employees in a tax-efficient and discretionary manner.

Until non-exchangeable units are made exchangeable into a share of Class A common stock or otherwise monetized at the discretion of the Committee, they are generally forfeitable for any reason, subject to certain exceptions. We believe this incentivizes performance.

Our executive officers have much of their personal net worth in a combination of our equity-based awards and non-exchangeable and exchangeable limited partnership units. Messrs. Lutnick, Merkel, Bisgay and Windeatt hold limited partnership units in BGC Holdings. Messrs. Lutnick, Merkel and Bisgay hold additional partnership interests in our parent Cantor, which, through ownership of



shares of our Class B common stock and exchangeable limited partnership interests in BGC Holdings, owned a 21.4% direct and indirect economic interest as of September 30, 2022 in our operations. All of our executive officers, except Mr. Bisgay, held limited partnership interests in Newmark Holdings following the Separation.

Section 162(m) of the U.S. Internal Revenue Code of 1986, which we refer to as the “Code,” eliminates a corporation’s tax deduction in a given year for payments to certain executive officers in excess of \$1,000,000. We do not currently expect that decisions relating to compensation will be significantly impacted by Section 162(m) matters on a going forward basis. The Committee retains negative discretion to reduce or withhold performance-based compensation to our executive officers, including after taking into consideration changing business conditions or the executive officer’s individual performance.

Our management and Compensation Committee recognize that we are subject to certain Financial Accounting Standards Board and SEC guidance on share-based awards and other accounting charges with respect to the compensation of our executive officers and other employees. However, our management and the Committee do not believe that these accounting charges should necessarily determine the appropriate types and levels of compensation to be made available. Where material to the Committee’s decisions, these accounting charges will be described in our compensation discussion and analysis, compensation tables and related narratives.

Our Compensation Committee may grant equity and partnership awards to our executive officers in a variety of ways under our Equity Plan and the Participation Plan, including restricted stock, RSUs, exchange rights, cash settlement awards, options and other equity grants under our Equity Plan and non-exchangeable limited partnership unit awards under the Participation Plan. Grants of such awards may have different accounting treatment and may be reported differently in the compensation tables and related narratives depending upon the type of award granted and how and when it is granted.

For U.S. GAAP purposes, a compensation charge is recorded on PSUs, LPUs and similar limited partnership units if and when an exchange right is granted to such units to acquire shares of Class A common stock, and the charge is based on the market price of our Class A common stock on the date on which the exchange right is granted, regardless of when such exchange occurs. Additionally, when the exchange actually occurs, a U.S. federal income tax deduction is generally allowed equal to the fair market value of a share of our Class A common stock on the date of exchange. In relation to this, there are certain LPUs in which a compensation charge is recorded ratably over the awards’ stated vesting schedule using the grant-date fair value. These LPUs vest into exchangeable units or Class A shares.

For U.S. GAAP purposes, if shares of restricted stock granted are not subject to continued employment or service with us or any affiliate or subsidiary of ours, even if they are subject to compliance with our customary non-compete obligations, the grant-date fair value of the restricted stock will be expensed on the date of grant.

#### **Clawback, Forfeiture and Recoupment**

The highly retentive nature of the NPSUs, PSUs/LPUs and similar partnership units, which may be redeemed for zero at any time by the Compensation Committee, as well as the non-compete, non-disparagement and other obligations under the BGC Holdings Partnership Agreement, provides extraordinary discretion and superior clawback power to the Compensation Committee. Accordingly, we do not have a separate general compensation recovery or “clawback” policy. Further, our annual policy is to provide the majority of our compensation through highly retentive partnership units or other equity with strong vesting mechanisms. Accordingly, we do not require additional share ownership or hold-through-retirement thresholds.

#### **Consideration of Peer Data for 2021**

As part of its compensation process, the Committee considered the year-on-year growth of various financial metrics as of year-to-date September 30, 2021, which represented the latest public financial information available at the time, as compared with the



average growth of these same metrics for BGC's traditional public peers (e.g., TP ICAP and Tradition) compared to the same period a year ago. These metrics included total consolidated revenue and year-to-date share price change. Further, as BGC continues to automate and convert more of its voice/hybrid revenue base to higher margin, technology-driven Fenics revenue, the Committee also considered the year-on-year growth of total Fenics revenue for the same period, as compared with the average total revenue growth for publicly listed trading platforms (e.g., Tradeweb and MarketAxess) and certain exchanges like CME over the same time frame. The data indicated that growth in each of these metrics exceeded the average comparable growth rates to date for these peers over the same time frame. Performance data, both financial and market data, are often reviewed by the Committee as presented by management and by the Adviser.

### **Base Salary**

Our executive officers receive base salaries or similar cash payments intended to reflect their skills, expertise and responsibilities. Subject to any applicable employment or other agreements, such payments and subsequent adjustments, if any, will be reviewed and approved by our Compensation Committee annually, based on a variety of factors, which may include, from time to time, a review of relevant salaries of executives at our peer group of companies and others and each executive officer's individual performance for the prior year, including each executive officer's experience and responsibilities.

We generally establish base pay at levels comparable to our peer group and other companies which employ similarly skilled personnel, including CME Group, Inc., Cowen, Inc., Evercore Inc., Houlihan Lokey, Inc., Interactive Brokers Group, Inc., Intercontinental Exchange, Inc., Lazard Ltd., LPL Financial Holdings Inc., Marketaxess Holdings, Inc., Nasdaq, Inc., Oppenheimer Holdings Inc., Piper Sandler Companies, Raymond James Financial, Inc., The Charles Schwab Corporation, Stifel Financial Corp., TP ICAP Group plc, Tradeweb Markets Inc. and Virtu Financial, Inc. While we determine these levels by reviewing publicly available information with respect to our peer group of companies and others, we have not traditionally engaged in benchmarking against a certain market percentile or otherwise, either individually or in aggregate.

### ***Base Salaries/Payments for 2021***

Base salary and similar cash payment rates for 2021 were established in April 2021 by our Compensation Committee for all of our executive officers other than Mr. Hauf. In setting the base rates for 2021, the Committee considered the qualifications, experience and responsibilities of our executive officers. The BGC base rates for 2021 were continued at \$1,000,000 for Messrs. Lutnick and Merkel, \$750,000 for Mr. Bisgay and £600,000 (approximately \$782,880 as of March 14, 2022) for Mr. Windeatt. Mr. Hauf's base salary of \$600,000 was set in June 2022 when he became Chief Financial Officer.

For each of the executive officers, in 2019 the Company allocated and paid an appropriate portion of their cash and equity-based compensation in respect of their approximate time spent on BGC matters and specifically allocated such compensation to Newmark, as appropriate and applicable. In addition, Mr. Lutnick and Mr. Merkel received certain equity-based compensation directly from Newmark. For 2019 and 2020, Mr. Lutnick and Mr. Merkel each spent at least 50% of his time on BGC matters. For 2021, Mr. Lutnick spent at least 50% of his time on BGC matters, and Mr. Merkel spent at least 40% of his time on BGC matters, and each has spent approximately the same percentage of time on BGC matters in 2022. During his service as Chief Financial Officer of the Company until June 6, 2022, Mr. Bisgay devoted approximately 80% of his time on BGC matters. For 2022, Mr. Windeatt has spent all of his time on Company matters, and beginning on the date of his appointment as Chief Financial Officer of the Company on June 6, 2022, Mr. Hauf has spent all of his time on Company matters. These percentages may vary during 2023 depending on business developments at us or Newmark or Cantor or any of our or Cantor's affiliates.



### ***Base Salaries/Payments for 2022***

Base salary and similar cash payment rates for 2022 were established at a meeting in March 2022 by our Compensation Committee, based on the continuing qualifications, experience and responsibilities of our executive officers. The BGC base rates for 2022 were continued at \$1,000,000 for Messrs. Lutnick and Merkel, \$600,000 for Mr. Hauf and £600,000 for Mr. Windeatt (approximately \$782,880 as of March 14, 2022).

### **Bonus Compensation**

Notwithstanding the elimination of the exception to the \$1,000,000 limit on deductibility for qualified performance-based compensation under Section 162(m) of the Code pursuant to the Tax Act, we intend to award performance-based compensation in the form of bonuses to our executive officers, including pursuant to the Incentive Plan. The Compensation Committee believes that such performance-based compensation appropriately aligns the interests of our executive officers with the interests of our stockholders.

With respect to each performance period, our Compensation Committee specifies the applicable performance criteria and targets to be used under the Incentive Plan for that performance period. These performance criteria, which may vary from participant to participant, will be determined by the Committee and may be based upon one or more of the following financial performance measures:

- pre-tax or after-tax net income;
- pre-tax or after-tax operating income;
- gross revenue;
- profit margin;
- stock price, dividends and/or total stockholder return;
- cash flow(s);
- market share;
- pre-tax or after-tax earnings per share;
- pre-tax or after-tax operating earnings per share;
- expenses;
- return on equity;
- environmental, social, governance or similar criteria; or
- strategic business criteria, consisting of one or more objectives based upon meeting specific revenue, market penetration, or geographic business expansion goals, cost targets and goals relating to acquisitions or dispositions.

The actual Incentive Plan bonus paid to any given participant at the end of a performance period is based upon the extent to which the applicable performance goals for such performance period are achieved, subject to the exercise of negative discretion by the Compensation Committee, and may be paid in cash or in equity or partnership awards. These awards also serve as incentives for future performance and retention.





In addition, from time to time, our Compensation Committee may provide for target or guaranteed bonuses in employment or other agreements in order to attract and retain talented executives, or may grant ad hoc discretionary bonuses when an executive officer is not eligible to participate in the Incentive Plan award opportunities for that performance period or when it otherwise considers such bonuses to be appropriate. Such bonuses may also be paid in cash or in equity or partnership awards.

#### ***Incentive Plan Bonus Goals for 2021***

In April 2021, our Compensation Committee determined that Messrs. Lutnick, Merkel, Windeatt and Bisgay would be participating executives for 2021 in our Incentive Plan. In the case of our U.K.-based executive officer, Mr. Windeatt, the bonus award opportunities are governed by the Incentive Plan and administered by the Committee.

For 2021, the Compensation Committee used the same performance criteria for all executive officers and set a bonus for 2021 equal to the maximum value allowed for each individual pursuant to the terms of the Incentive Plan (i.e., \$25 million), provided that (i) the Company achieved operating profits or distributable earnings for 2021, as calculated on substantially the same basis as the Company's financial results press release for 2020, or (ii) the Company achieved improvement or percentage growth in gross revenue or total transaction volumes for any product for 2021 as compared to 2020 over any of its peer group members or industry measures, as reported in the Company's 2021 financial results press release, in each case calculated on substantially the same basis as in the Company's financial results press release for 2020 and compared to the most recently available peer group information or industry measures, in each case subject to any appropriate corporate adjustment to reflect stock splits, reverse stock splits, mergers, spin offs or any other extraordinary corporate transactions in accordance with the Incentive Plan, the Equity Plan and the Participation Plan, as applicable, each of which we refer to as a "Performance Goal."

The Compensation Committee determined that the payment of any such amount may be in the form of cash, shares of our Class A common stock, limited partnership units or other equity or partnership awards permitted under our Equity Plan, the Participation Plan, or otherwise. The Committee, in its sole and absolute discretion, retained the right to reduce the amount of any Incentive Plan bonus payment based upon any factors it determines, including whether and the extent to which the Performance Goals or any other corporate, as well as individual, performance objectives have been achieved.

#### ***Incentive Plan Bonuses Awarded for 2021***

On December 21, 2021 and on March 14, 2022, having determined that the Performance Goals established in the first quarter of 2021 had been met for 2021, our Compensation Committee made awards to the participating executive officers for 2021 under our Incentive Plan. The awards were granted using a stock price of (i) \$4.57 on December 21, 2021 with respect to Howard Lutnick; and (ii) \$4.33 on March 14, 2022 with respect to Messrs. Stephen Merkel, Steve Bisgay, and Sean Windeatt and provided a combination of short—and long-term incentives that align the Company's financial performance with its executive compensation. In addition to short-term cash compensation awarded to certain executives, the Committee awarded significant portions of its 2021 compensation to all executives in the form of long-term partnership units. All of such 2021 partnership awards are forfeitable in the event that any such executive was to leave the Company and compete or otherwise violate applicable partnership obligations. Most units are eligible for partnership distributions, if any, in the current period, which are tied to the Company's current and future earnings. The units awards, however, are issued as non-exchangeable and non-preferred unit awards that may be made exchangeable into the Company's common stock at a future time at the Committee's discretion, thus incentivizing future performance by aligning it with the Company's stock price and performance. The Committee considered the continuing impact of the pandemic and the stock price, as well as the Company's financial performance as a whole and results in various businesses, including as compared to peers, when making these awards for 2021. The impact of any of these measures during 2022 or beyond may materially impact the value of current and previous partnership awards, thus aligning the interests of the executives with those of our stockholders in both the current period and in future periods of both uncertainty and success. These components are more important than ever in unpredictable times.





The specific awards to our executive officers were as follows:

- Mr. Lutnick's 2021 award consisted of an aggregate BGC bonus of \$11,000,000 paid \$2,000,000 in current cash compensation and \$9,000,000 in a long-term partnership award represented by 1,280,088 non-exchangeable BGC Holdings PSUs and 689,278 non-exchangeable BGC Holdings PPSUs. This long-term unit award aligns Mr. Lutnick's compensation with the Company's earnings and, over time, in the event such units become exchangeable, its stock performance with respect to the PSUs. The bonus for Mr. Lutnick is the same as Mr. Lutnick was awarded with respect to calendar year 2020. The Committee focused on Mr. Lutnick's efforts during the continuing pandemic and the results of our business in making the same award as the prior year.
- Mr. Merkel's BGC bonus of \$750,000 for 2021 was all paid in a long-term partnership award represented by 86,605 non-exchangeable BGC Holdings NPSU-CVs and 86,605 non-exchangeable BGC Holdings NPPSU-CVs. The BGC standalone bonus for 2021 awarded to Mr. Merkel equaled his prior year's allocated bonus. In awarding Mr. Merkel a 2021 bonus under the Incentive Plan, the Committee considered his role in managing legal and regulatory issues during the year and overall leadership of the Company's complex business, legal and regulatory matters in 2021.
- Mr. Windeatt's 2021 bonus of £1,200,000 (\$1,565,760 as of March 14, 2022) was paid (i) £220,000 in current cash compensation; (ii) £688,000 in a long-term partnership award represented by 25,234 non-exchangeable BGC Holdings NLPU-CVs and 22,378 non-exchangeable BGC Holdings NPLPU-CVs, as well as 103,812 BGC Holdings LPU-NEWs, and 55,899 BGC Holdings PLPU-NEWs, as described below, which shall have certain exchange rights beginning March 14, 2024 upon certain terms and conditions; and (iii) £292,000 representing 20% of a previously issued grant award to Mr. Windeatt in connection with his contract extension on November 5, 2020, represented by 91,685 non-exchangeable BGC Holdings LPUs and 49,369 non-exchangeable BGC Holdings PLPUs at \$2.84 per unit. In determining the specific 2021 Incentive Plan bonus for Mr. Windeatt, the Committee considered his responsibilities and duties and the Company's financial performance. These exchange rights, accordingly, tie Mr. Windeatt's compensation directly to stock performance over time and serve as a retention feature over the same period. Mr. Windeatt's total compensation for 2021 was the same as the prior year.
- Mr. Bisgay's aggregate 2021 award of \$1,250,000 was paid \$750,000 in current cash compensation and \$500,000 in a long-term partnership award represented by 57,737 non-exchangeable BGC Holdings NPSU-CVs and 57,737 non-exchangeable BGC Holdings NPPSU-CVs. In determining the specific 2021 Incentive Plan bonus for Mr. Bisgay, the Committee noted his responsibilities and duties with respect to financial reporting and treasury matters and the Company's financial performance.

Mr. Windeatt's 2021 year-end New BGC Holdings NLPU and NPLPU awards (also called "NLPU-NEW" and NPLPU-NEW" units ) have the following features in accordance with Mr. Windeatt's membership in BGC Services (Holdings) LLP (the "U.K. LLP"): (a) their effective grant date shall be March 14, 2022 for future exchange right eligibility purposes and (b) they will become exchangeable or exchanged for (in the case of NLPU-NEWs, shares of our Class A common stock, or in the case of NPLPU- NEWs, the determination amount) as of March 14, 2024 or as soon as practicable thereafter, provided that, as of such exchangeability date: (i) Mr. Windeatt remains a member in good standing of the U.K. LLP and has complied at all times with his then-current Deed of Adherence with the U.K. LLP, the BGC Holdings Partnership Agreement, and all other agreements with BGC Holdings or an Affiliate thereof; and (ii) U.K. LLP senior management has reasonably determined that he has at all times satisfactorily performed his duties for the U.K. LLP, taking into account, inter alia, as applicable his performance evaluation(s) and adherence to regulatory obligations, compliance requirements, and applicable laws. The NLPU-NEWs and NPLPU-NEWs reflect the revised design and terms of the U.K. LLP structure generally based on current tax guidance.



For all compensation that relied upon converting U.S. dollars into pounds, the Company's records of the GBP FX exchange rate on March 14, 2022, the date that our Compensation Committee approved the 2021 year-end compensation, was used. Such exchange rate was 1.3048 USD to 1 GBP.

In making its bonus determinations for 2021, our Compensation Committee considered the pay practices of the Company's peer group and other companies, including a compensation survey prepared by, and advice from, the Advisor. In particular, it also considered the earnings performance of the Company as a whole and specific businesses, the continuing impact and challenges of the pandemic, the Company's stock price, individual management and contributions toward achievement of strategic goals and overall financial and operating results. These awards were also expected to incentivize our executive officers with respect to future performance and encourage ongoing contributions to management, our results and our existing and future businesses.

In 2021, the Incentive Plan cash bonus for Messrs. Lutnick, Merkel, Windeatt and Bisgay as a percentage of the overall total compensation paid to them by BGC was approximately 16.7%, 0%, 12.22% and 37.50% respectively.

### ***Incentive Plan Bonus Guidelines for 2022***

In March 2022, our Compensation Committee determined that Messrs. Lutnick, Merkel, Windeatt and Bisgay, our executive officers, would be participating executives for 2022 in our Incentive Plan. Mr. Hauf, who joined us in June, 2022, is also a participating executive for 2022 in our Incentive Plan. For 2022, the Committee used the same performance criteria for all executive officers and set a bonus for 2022 equal to the maximum value allowed for each individual pursuant to the terms of the Incentive Plan (i.e., \$25 million), provided that (i) the Company achieves operating profits or adjusted earnings for 2022, as calculated on substantially the same basis as the Company's financial results press release for 2021, or (ii) the Company achieves improvement or percentage growth in gross revenue or total transaction volumes for any product for 2022 as compared to 2021 over any of its peer group members or industry measures, as reported in the Company's 2022 financial results press release, in each case calculated on substantially the same basis as in the Company's financial results press release for 2021 and compared to the most recently available peer group information or industry measures, in each case subject to any appropriate corporate adjustment to reflect stock splits, reverse stock splits, mergers, spin offs or any other extraordinary corporate transactions in accordance with the Incentive Plan, the Equity Plan and the Participation Plan, as applicable. As each of the Company's executive officers also provides services to certain of our operating partnerships and subsidiaries, potential bonuses for 2022 are also on behalf of all such operating partnerships and subsidiaries, as may be applicable.

The Compensation Committee determined that the payment of any such amount may be in the form of cash, shares of Class A common stock, limited partnership units or other equity or partnership awards permitted under our Equity Plan, the Participation Plan, or otherwise. The extent determined to reflect the portion of an executive officer's compensation related to services performed for a particular subsidiary or affiliate, as noted above, the cost of compensation awarded under any of the BGC Compensation Plans, or, as applicable, the Newmark Compensation Plans, shall be borne by such operating partnership or subsidiary. The Committee, in its sole and absolute discretion, retained the right to establish the amount of any Incentive Plan bonus payment based upon any factors it determines, including whether and the extent to which the Performance Goals or any other corporate, as well as individual, performance objectives have been achieved. The Committee further retains discretion to authorize bonuses and other awards to the Participating Executives regardless of whether or not such bonuses and awards are tax deductible under tax law in effect at the time of such bonuses and awards.

### **Equity Plan and Participation Plan Awards**

It is the Compensation Committee's general policy to award restricted stock, exchange rights, awards that are repurchased for cash, which we refer to as "cash settlement awards," and other equity or partnership awards to our executive officers in order to align



their interests with those of our long-term investors and to help attract and retain qualified individuals. Our Equity Plan permits the Committee to grant restricted stock, stock options, stock appreciation rights, deferred stock such as RSUs, bonus stock, performance awards, dividend equivalents, and other stock-based awards, including to provide exchange rights for shares of our Class A common stock and cash settlement awards relating to BGC Holdings limited partnership units.

The Participation Plan provides for the grant or sale of BGC Holdings limited partnership units. The total number of BGC Holdings limited partnership units issuable under the Participation Plan will be determined from time to time by our Board, provided that exchange rights or cash settlement awards relating to units may only be granted pursuant to other stock-based awards granted under our Equity Plan. Partnership units in BGC Holdings (other than NPSUs) are entitled to participate in preferred or quarterly partnership distributions from BGC Holdings and (other than Preferred Units (as defined below) and NPSUs) are eligible to be made exchangeable for shares of Class A common stock. We view these incentives as an effective tool in motivating, rewarding and retaining our executive officers.

Our Compensation Committee retains the right to grant a combination of forms of such awards under our Equity Plan and the Participation Plan to executive officers as it considers appropriate or to differentiate among executive officers with respect to different types of awards. The Committee has also granted authority to Mr. Lutnick, our Chairman of the Board and Chief Executive Officer, to grant awards to non-executive officer employees of our Company under the Equity Plan and the Participation Plan and to establish sub-plans for such persons.

In addition, our executive officers and other employees may also be offered the opportunity to purchase limited partnership units. The Compensation Committee and Mr. Lutnick will have the discretion to determine the price of any purchase right for partnership units, which may be set at preferential or historical prices that are less than the prevailing market price of our Class A common stock.

#### ***Timing of Awards***

Equity and partnership awards to our executive officers that are in payment of Incentive Plan or discretionary bonuses are typically granted annually in conjunction with our Compensation Committee's review of Company and individual performance of our executive officers, although interim grants may be considered and approved from time to time. The Committee's annual review generally takes place at year-end meetings, which are generally held in the first quarter of each year, although the reviews may be held at any time and from time to time throughout the year. From time to time, grants to executive officers may be made on a mid-year or other basis in the event of business developments, changing compensation requirements or other factors, in the discretion of the Committee.

Our policy in recent years has generally been to award year-end grants to executive officer recipients by the end of the calendar year or in the quarter thereafter, with grants to non-executive employees occurring closer to the end of the first quarter of the following year. Grants, if any, to newly hired employees are effective on the first day of the quarter following the employee's first day of employment. In addition, from time to time the Company may offer compensation enhancements or modifications to employees that it does not offer to its executive officers.

The exercise price of all stock options is set at the closing price of our Class A common stock on Nasdaq on the date of grant. As discussed above, with respect to limited partnership units and other equity or partnership awards, grants may be made based on a dollar value, with the number of units or shares determined by reference to the market price of our Class A common stock on the date of grant, or based on a specified number of awards.



***Compensatory Actions Relating to Prior Grants of BGC Holding Units and Related Replacement and Exchange Right Grants***

The following compensatory actions taken with respect to 2019, 2020 and 2021 relating to prior grants of BGC Holdings units to Messrs. Merkel, Windeatt, and Lynn were consistent with schedules and other terms previously approved by our Compensation Committee:

Effective February 28, 2019, as to Mr. Merkel, 110,000 non-exchangeable BGC Holdings PSUs were redeemed for zero, 90,000 non-exchangeable BGC Holdings PPSUs at the determination price of \$6.26 per PPSU (totaling \$563,400) were redeemed, 50,000 non-exchangeable Newmark Holdings PSUs were redeemed for zero, and 40,909 non-exchangeable Newmark Holdings PPSUs at a determination price of \$10.70 per PPSU (totaling \$437,727) were redeemed and Mr. Merkel was issued 93,560 shares of BGC Class A common stock and 42,864 shares of Newmark Class A common stock in connection therewith, less applicable taxes and withholdings. These BGC shares were repurchased by the Company on March 27, 2019 at a price of \$5.30 per share.

On or about March 31, 2019, Mr. Merkel received an award of 110,000 non-exchangeable BGC Holdings PSUs, 90,000 non-exchangeable BGC Holdings PPSUs with a determination price of \$5.31, 50,000 non-exchangeable Newmark Holdings PSUs, and 40,909 non-exchangeable Newmark Holdings PPSUs with a determination price of \$10.70.

As to Mr. Merkel, 110,000 non-exchangeable BGC Holdings PSUs were made exchangeable for shares and 90,000 non-exchangeable BGC Holdings PPSUs at the determination price of \$5.31 per unit (totaling \$447,900) were made exchangeable for cash effective February 28, 2020.

Effective January 1, 2019, 750,000 BGC Holdings NPSUs and 340,909 Newmark Holdings NPSUs held by Mr. Lynn were cancelled and replaced by 540,000 non-exchangeable BGC Holdings LPUs, 210,000 non-exchangeable BGC Holdings PLPUs at a determination price of \$5.17 per unit, 245,454 non-exchangeable Newmark Holdings LPUs, and 95,454 non-exchangeable Newmark Holdings PLPUs at a determination price of \$7.85 per unit.

Effective October 1, 2019, 250,000 BGC Holdings NPSUs and 113,636 Newmark Holdings NPSUs held by Mr. Lynn were cancelled and replaced by 250,000 non-exchangeable BGC Holdings LPUs and 113,636 non-exchangeable Newmark Holdings LPUs.

Effective October 1, 2020, 250,000 BGC Holdings NPSUs and 113,636 Newmark Holdings NPSUs held by Mr. Lynn were cancelled and replaced by 250,000 non-exchangeable BGC Holdings LPUs and 113,636 non-exchangeable Newmark Holdings LPUs.

Effective January 1, 2020, 500,000 BGC Holdings NPSUs and 227,272 Newmark Holdings NPSUs held by Mr. Lynn were cancelled and replaced by 325,000 non-exchangeable BGC Holdings LPUs, 175,000 non-exchangeable BGC Holdings PLPUs at a determination price of \$5.94 per unit, 147,727 non-exchangeable Newmark Holdings LPUs, and 79,545 non-exchangeable Newmark Holdings PLPUs at a determination price of \$12.64 per unit.

Effective as of January 1, 2019, 18,750 BGC Holdings NPSUs and 8,523 Newmark Holdings NPSUs held by Mr. Windeatt have been cancelled and replaced by 13,500 non-exchangeable BGC Holdings LPUs and 5,250 non-exchangeable BGC Holdings PLPUs at a determination price of \$5.17 per unit, 6,136 non-exchangeable Newmark Holdings LPUs, and 2,386 non-exchangeable Newmark Holdings PLPUs at a determination price of \$7.85.

Effective April 1, 2019, 100,000 BGC Holdings NLPUs and 45,455 Newmark Holdings NLPUs held by Mr. Windeatt were cancelled and replaced by 100,000 non-exchangeable BGC Holdings LPUs and 45,455 non-exchangeable Newmark Holdings LPUs.



Effective as of January 1, 2020, 18,750 BGC Holdings NPSUs and 8,521 Newmark Holdings NPSUs held by Mr. Windeatt were cancelled and replaced by 12,188 non-exchangeable BGC Holdings LPUs and 6,563 non-exchangeable BGC Holdings PLPUs at a determination price of \$5.94 per unit, 5,541 non-exchangeable Newmark Holdings LPUs, and 2,984 non-exchangeable Newmark Holdings PLPUs at a determination price of \$12.64.

Effective April 1, 2020, 100,000 BGC Holdings NLPUs and 45,455 Newmark Holdings NLPUs held by Mr. Windeatt were cancelled and replaced by 100,000 non-exchangeable BGC Holdings LPUs and 45,455 non-exchangeable Newmark Holdings LPUs.

Effective April 1, 2021, 100,000 BGC Holdings NLPUs and 45,454 Newmark Holdings NLPUs held by Mr. Windeatt were cancelled and replaced by 100,000 non-exchangeable BGC Holdings LPUs and 45,454 non-exchangeable Newmark Holdings LPUs.

With respect to all of such awards, any grant of exchange rights with respect to any PSUs/PPSUs and LPUs/ PLPUs issued in replacement of NPSUs will be determined in accordance with the Company's practices when determining discretionary bonuses or awards, and any grants of exchangeability shall be subject to the approval of the Compensation Committee. In addition, upon the signing of any agreement that would result in a "Change in Control" (as defined in the Amended and Restated Change in Control Agreements entered into by Messrs. Lutnick and Merkel and the applicable Deeds of Adherence entered into by Messrs. Lynn and Windeatt), (1) any NPSUs held by the foregoing executives shall be replaced by exchangeable PSUs/PPSUs or LPUs/PLPUs (i.e., such PSUs and LPUs shall be exchangeable for shares of Class A common stock and PPSUs and PLPUs shall be exchangeable for cash), and (2) any non-exchangeable BGC Holdings PSUs/PPSUs and LPUs/PLPUs held by the foregoing executives shall become immediately exchangeable, which exchangeability may be exercised in connection with such "Change in Control," except that, with respect to (1) and (2), 9.75% of Mr. Lynn's and Mr. Windeatt's LPUs/PLPUs shall be deemed to be redeemed for zero in proportion to such exchanges of LPUs/ PLPUs in accordance with the customary LPU/PLPU structure. See "Executive Compensation—Potential Payments Upon Change in Control—Change in Control Agreements" and "Executive Compensation—Potential Payments Upon Change in Control—Employment Agreements and Deeds of Adherence" for more information.

The entry into the Corporate Conversion Agreement was not, and completion of the Corporate Conversion Transactions will not be, a "Change in Control" as defined in the Amended and Restated Change in Control Agreements entered into by Messrs. Lutnick and Merkel and the applicable Deeds of Adherence entered into by Messrs. Lynn and Windeatt. In connection with the Corporate Conversion Transactions, the Change in Control Agreements we entered into with Messrs. Lutnick and Merkel and Deeds of Adherence we entered into with Messrs. Lynn and Windeatt will be assumed by BGC Group, as appropriately amended and restated.

As of December 31, 2021, none of the named executive officers had any BGC Holdings NPSUs / NLPUs outstanding.

### **Global Partnership Restructuring Program**

Beginning at the end of the second quarter of 2013, we initiated an ongoing global partnership redemption and compensation restructuring program (the "Global Partnership Restructuring Program") to enhance our employment arrangements. Under the Global Partnership Restructuring Program, participating partners have generally agreed to extend the lengths of their employment agreements, to accept a larger portion of their compensation in limited partnership units and to other contractual modifications sought by us. Also, as part of this program, we have redeemed limited partnership units for cash and/or other units or shares of stock, including restricted stock (subject to accelerated lapse of restrictions on transferability), and granted exchange rights relating to certain non-exchangeable units. The Global Partnership Restructuring Program allows us to reward those who provide service to us and our subsidiaries, and to provide enhanced retention incentives to such employees, reduce our fully diluted share count and allow us to take advantage of certain tax efficiencies.



The shares of restricted stock previously granted to the executive officers generally have all of the rights of a holder of shares of Class A common stock. The shares of restricted stock will become transferable in 10 years, subject to acceleration. The shares of restricted stock are not subject to continued employment or service with the Company or any of its affiliates or subsidiaries or other risk of forfeiture, except that the shares are subject to forfeiture (if not then already transferable) if the executive officer competes during his service or employment term or during the four years thereafter.

#### ***2018 Unit Redemptions and Exchanges for Mr. Lutnick***

On December 31, 2018, the Compensation Committee approved the monetization of 760,797 BGC Holdings PPSUs held by Mr. Lutnick (which at an average determination price of \$6.57 per share on such date, had a value of \$5,000,000). On February 1, 2019, the Compensation Committee approved a modification which consisted of the following: (i) the right to exchange 376,651 non-exchangeable BGC Holdings PSUs held by Mr. Lutnick into 376,651 non-exchangeable BGC Holdings partnership units with a capital account (HDUs) (which, based on the closing price of our Class A common stock of \$6.21 per share on such date, had a value of \$2,339,000); and (ii) the right to exchange for cash 463,969 non-exchangeable BGC Holdings PPSUs held by Mr. Lutnick, for a payment of \$2,661,000 for taxes when such PSUs are exchanged into HDUs. Mr. Lutnick exercised his right to exchange these units in December 2021 and, Mr. Lutnick has not sold any shares in connection with these rights.

#### ***2019 Unit Redemptions and Exchanges***

On January 28, 2020, the Compensation Committee approved the redemption for zero at \$6.26 per unit of 172,051 non-exchangeable BGC Holdings New PLPUs held by Mr. Lynn and 38,138 non-exchangeable BGC Holding New PLPUs held by Mr. Windeatt at \$6.26 per unit.

On March 2, 2020, the Compensation Committee approved the grant of exchange rights to Mr. Lynn with respect to 883,348 non-exchangeable BGC Holdings LPUs and 245,140 non-exchangeable BGC Holdings PLPUs (at the average determination price of \$4.4856 per unit). On July 30, 2020, the Company redeemed 797,222 BGC Holdings exchangeable LPUs held by Mr. Lynn at the price of \$2.76, the closing price of our Class A common stock on July 30, 2020. In connection with the redemption of the 797,222 exchangeable BGC Holdings LPUs, 221,239 exchangeable BGC Holdings PLPUs were redeemed for \$992,388 for taxes. In connection with the redemption, Mr. Lynn's remaining 86,126 exchangeable BGC Holdings LPUs and 23,901 exchangeable BGC Holdings PLPUs were redeemed for zero upon exchange in connection with his LLP status.

On March 2, 2020, the Compensation Committee approved the grant of exchange rights to Mr. Windeatt with respect to 519,725 non-exchangeable BGC Holdings LPUs and 97,656 non-exchangeable BGC Holdings PLPUs (at the average determination price of \$6.6128 per unit). On August 5, 2020, the Company redeemed 436,665 exchangeable BGC Holdings LPUs held by Mr. Windeatt at the price of \$2.90, the closing price of our Class A common stock on August 5, 2020. In connection with the redemption of the 436,665 exchangeable BGC Holdings LPUs, 96,216 exchangeable BGC Holdings PLPUs were redeemed for \$637,866 for taxes. In connection with the redemption, 20,849 exchangeable BGC Holdings LPUs and 1,440 exchangeable BGC Holdings PLPUs were redeemed for zero (at an average determination price of \$5.4971 per unit) upon exchange in connection with Mr. Windeatt's LLP status.

Additionally, on August 5, 2020, the Compensation Committee approved the grant of exchange rights to Mr. Windeatt with respect to 40,437 non-exchangeable BGC Holdings LPUs and 21,774 non-exchangeable BGC Holdings PLPUs (at the average determination price of \$6.6128 per unit). On August 5, 2020 the Company redeemed these 40,437 exchangeable BGC Holdings LPUs held by Mr. Windeatt at the price of \$2.90, the closing price of our Class A common stock on August 5, 2020. In connection with the





redemption of these 40,437 exchangeable BGC Holdings LPUs, the 21,774 exchangeable BGC Holdings PLPUs were redeemed for \$136,305 for taxes.

In addition to the foregoing, on August 6, 2020, Mr. Windeatt was granted exchange rights with respect to 43,890 non-exchangeable Newmark Holding LPUs that were previously granted to Mr. Windeatt. Additionally, Mr. Windeatt was granted the right to exchange for cash 17,068 non-exchangeable Newmark Holdings PLPUs held by Mr. Windeatt. As these Newmark Holdings LPUs and PLPUs were previously non-exchangeable, the Company took a transaction charge of \$381,961 upon grant of exchangeability. On August 6, 2020, Newmark redeemed the 40,209 Newmark Holdings exchangeable LPUs held by Mr. Windeatt for an amount equal to the closing price of Newmark's Class A Common Stock on August 6, 2020 (\$4.16) multiplied by 37,660 (the amount of shares of Newmark's Class A common stock the 40,209 Newmark Holdings LPUs were exchangeable into based on the Exchange Ratio at August 6, 2020). In connection with the redemption of these 40,209 exchangeable Newmark Holdings LPUs, 15,637 exchangeable Newmark Holdings PLPUs were redeemed for \$194,086 for taxes. In connection with the redemption, 3,681 exchangeable Newmark Holding LPUs and 1,431 exchangeable Newmark Holdings PLPUs were redeemed for zero upon exchange in connection with Mr. Windeatt's LLP status.

On March 2, 2020, consistent with the previously approved schedule, the Compensation Committee approved the grant of exchange rights to Mr. Merkel with respect to 110,000 non-exchangeable PSUs and 90,000 non-exchangeable PPSUs (at an average determination price of \$5.6757 per unit). The Compensation Committee also approved the grant of exchange rights to Mr. Merkel with respect to an additional 250,065 non-exchangeable BGC Holdings PSUs and 175,568 non-exchangeable BGC Holdings PPSUs (at an average determination price of \$5.6757 per unit). These additional exchange rights involved units that were the subject of previous dollar-denominated awards under the Incentive Bonus Plan reported in column (g) of the Summary Compensation Table at full notional value. On March 20, 2020, the Company repurchased 185,300 of such 360,065 exchangeable BGC Holdings PSUs at the average price of shares of Class A common stock sold under the Company's controlled equity offering from March 10, 2020 to March 13, 2020 less 1% (approximately \$4.0024 per limited partnership interest, for an aggregate purchase price of approximately \$741,644) and redeemed 122,579 of such 265,568 exchangeable BGC Holdings PPSUs for \$661,303, for an aggregate payment of \$1,402,947. On July 30, 2020, the Company redeemed the remaining 174,765 exchangeable BGC Holdings LPUs held by Mr. Merkel at the price of \$2.76, the closing price of our Class A common stock on July 30, 2020. In connection with the redemption of the 174,765 exchangeable BGC Holdings LPUs on July 30, 2020, 142,989 exchangeable BGC Holdings PLPUs were redeemed for \$846,182.

### ***2020 Unit Redemptions and Exchanges***

On April 8, 2021, the Compensation Committee approved the repurchase by the Company of the remaining 62,211 exchangeable BGC Holdings LPUs held by Mr. Windeatt that were granted exchangeability on March 2, 2020 at the price of \$5.38, the closing price of Class A common stock on April 8, 2020.

On April 8, 2021, the Compensation Committee approved the redemption of 43,585 of Mr. Lynn's non-exchangeable BGC Holdings PLPUs for cash at the average determination price of \$4.284 per unit and 112,076 of Mr. Lynn's non-exchangeable BGC Holdings LPUs for zero in connection with the issuance of 112,076 shares of Class A common stock, which, less applicable taxes and withholdings, were repurchased by the Company at the price of \$5.38 per share, the closing price of our Class A common stock on April 8, 2021. Due to Mr. Lynn's U.K. LLP membership, 4,709 additional non-exchangeable BGC Holdings PLPUs and 12,108 additional non-exchangeable BGC Holdings LPUs were redeemed for zero.

On April 8, 2021, the Compensation Committee approved the repurchase by the Company on April 23, 2021 of 123,713 exchangeable BGC Holdings LPU-NEWS held by Mr. Windeatt at the price of \$5.65, which was the closing price of our Class A



common stock on April 23, 2021, and the redemption of 28,477 exchangeable BGC Holdings PLPU-NEWs held by Mr. Windeatt for \$178,266, less applicable taxes and withholdings.

On April 8, 2021, the Compensation Committee approved the exchange on April 23, 2021 of 558,107 exchangeable BGC Holdings LPU-NEWs held by Mr. Lynn into shares of BGC Class A common stock and the redemption of 128,468 exchangeable BGC Holdings PLPUs held by Mr. Lynn for \$804,210, less applicable taxes and withholdings.

### ***2021 Unit Redemptions and Exchanges***

On April 28, 2021, the Compensation Committee approved the repurchase by the Company on April 29, 2021 of 108,350 exchangeable BGC Holdings PSUs held by Mr. Merkel at the price of \$5.29, which was the closing price of our Class A common stock on April 29, 2021, and the redemption of 101,358 exchangeable BGC Holdings PPSUs held by Mr. Merkel for \$575,687 for tax purposes.

On December 21, 2021, pursuant to the approval of the Compensation Committee: (i) 90,366 non-exchangeable BGC Holdings PSUs held by Mr. Merkel were redeemed for zero, and 90,366 shares of BGC Class A common stock were issued to Mr. Merkel, and (ii) 149,301 of Mr. Merkel's non-exchangeable BGC Holdings PPSUs were redeemed for a cash payment of \$555,990 for taxes.

On December 21, 2021, Mr. Lutnick exercised his pre-existing conversion and redemption rights to (i) convert his 376,651 non-exchangeable BGCHLP PSU-Hs into 376,651 non-exchangeable BGCHLP HDUs with a capital account of \$2,339,000 and redeem his 463,969 non-exchangeable BGCHP PPSU-Hs associated with such PSU-Hs for a tax payment of \$2,661,000, and (ii) redeem his 425,766 exchangeable BGCHLP PPSUs for a tax payment of \$1,525,706. Mr. Lutnick currently holds such BGCHLP HDUs. In addition to the foregoing, on December 21, 2021, Mr. Lutnick accepted and exercised certain of his monetization rights under the BGC Standing Policy, as described below.

Pursuant to the Newmark Compensation Committee's authorization on June 28, 2021, in connection with Mr. Lutnick's participation in Newmark's equity program in connection with his service to Newmark, the following BGC Holdings transactions occurred:

(i) the exchange of 520,380 exchangeable BGC Holdings PSUs into 520,380 shares of BGC Class A common stock, and \$1,525,705 paid to Mr. Lutnick pursuant to the redemption of his exchangeable BGC Holdings PPSUs;

(ii) the redemption of 88,636 non-exchangeable BGC Holdings PSUs pursuant to Mr. Lutnick's rights under his existing standing policy, and the issuance of 88,636 shares of BGC Class A common stock; and

(iii) the conversion of 1,131,774 non-exchangeable BGC Holdings PSUs-H into 1,131,774 non-exchangeable BGC Holdings HDUs and \$7,983,000 paid to Mr. Lutnick pursuant to the redemption of Mr. Lutnick's BGC Holdings PPSUs with H- Rights.

### ***2022 Unit Redemptions and Exchanges***

On March 14, 2022, the Compensation Committee approved the conversion of Mr. Windeatt's 91,685 non-exchangeable BGC Holdings NLPUs into 91,685 non-exchangeable BGC Holdings LPUs and 49,369 non-exchangeable BGC Holdings NPLPUs into 49,369 non-exchangeable BGC Holdings PLPUs with a determination amount of \$2.84 per unit.

On March 14, 2022, the Compensation Committee approved the grant of exchange rights to Mr. Windeatt with respect to 135,514 non-exchangeable BGC Holdings LPU-NEWs and 27,826 non-exchangeable PLPU-NEWs (at the average determination





price of \$4.84 per unit). On August 11, 2022, the Company repurchased 135,514 exchangeable BGC Holdings LPU-NEWs held by Mr. Windeatt at the price of \$4.08 per unit, which was the closing price of our Class A common stock on August 11, 2022, and redeemed 27,826 exchangeable PLPU-NEWs held by Mr. Windeatt for \$134,678, less applicable taxes and withholdings.

#### ***2018 Newmark Unit Exchange Rights for Mr. Lutnick***

On December 31, 2018, the Newmark Compensation Committee approved the monetization of 898,080 BGC Holdings PPSUs held by Mr. Lutnick (which had an average determination price of \$7.65 per unit), and 592,721 Newmark Holdings PPSUs (which had an average determination price of \$13.715 per unit), which transactions had an aggregate value of \$15,000,000. On February 6, 2019, the Newmark Compensation Committee approved a modification which consisted of the following: (i) the right to exchange 1,131,774 non-exchangeable BGC Holdings PSUs held by Mr. Lutnick into 1,131,774 non-exchangeable BGC Holdings partnership units with a capital account (HDUs) (which, based on the closing price of the BGC Class A common stock of \$6.20 per share on such date, had a value of \$7,017,000); and (ii) the right to exchange for cash 1,018,390 BGC Holdings non-exchangeable PPSUs held by Mr. Lutnick (which had an average determination price of \$7.8388 per unit), for a payment of \$7,983,000 in cash for taxes when such PSUs are exchanged into HDUs. To date, Mr. Lutnick has not exercised this right to exchange and has not sold any shares in connection with these rights.

These unit and share monetizations were approved by the Compensation Committees of BGC and Newmark in order to provide liquidity to the executives in accordance with applicable tax and accounting rules, taking into consideration dilution and the retentive impact of the remaining units held by the executives. The February modifications generally reduced the cash paid, were less dilutive and considered by the Compensation Committees to be more retentive.

#### **Standing Policy for Mr. Lutnick**

In December 2010, as amended in 2013, our Audit Committee and Compensation Committee approved a standing policy that gives Mr. Lutnick the same right, subject to certain conditions, to accept or waive opportunities that have previously been offered, or that may be offered in the future, to other executive officers to participate in any opportunity to monetize or otherwise provide liquidity with respect to some or all of their non-exchangeable limited partnership units or to accelerate the lapse of or eliminate any restrictions on transferability with respect to shares of restricted stock. In January 2017, the policy was further amended to include recent executive awards such as transactions that monetize and/or provide liquidity of equity or partnership awards granted to executive officers, including the right to exchange non-distribution earning units such as NPSUs into distribution earning units such as PSUs, or convert preferred units such as PPSUs into regular, non-preferred units, such as PSUs, based upon the highest percentage of distribution earning awards and in the same proportion of regular to preferred units held by another executive.

The policy provides generally that Mr. Lutnick shall be treated no less favorably than, and in proportion to, any other executive officer with respect to the change, right or modification of equity or partnership awards, which include, but are not limited to, opportunities (i) to have non-exchangeable units redeemed or replaced by other non-exchangeable units; (ii) to have non-exchangeable units received upon such replacement redeemed by BGC Holdings for cash, or, with the concurrence of Cantor, granted exchange rights for shares of Class A common stock; (iii) to accelerate the lapse of or eliminate any restrictions on transferability with respect to restricted shares of Class A common stock; and (iv) to replace non-distributing units with distributing units and replace preferred units with non-preferred units. The policy may also include exchange of units into HDUs or other units with a capital account and the cancellation or redemption of non-exchangeable units and the issuance of new shares or units.

Under the policy, Mr. Lutnick shall have the right to accept or waive in advance some or all of the foregoing offers of opportunities that we may offer to any other executive officer. In each case, Mr. Lutnick's right to accept or waive any opportunity



offered to him to participate in any such opportunity shall be cumulative (and, accordingly, Mr. Lutnick would again have the right to accept or waive the opportunity to participate with respect to such portion previously waived if and when any additional opportunity is offered to any other executive officer) and shall be equal to the greatest proportion of outstanding units and the greatest percentage of shares of restricted stock with respect to which any other executive officer has been or is offered with respect to all of such opportunities. This policy may result in grants to him of exchange rights/cash settlement awards, grants of HDUs or other units with a capital account, the cancellation or redemption of non-exchangeable units and the issuance of new shares or units, or the acceleration of the lapse of restrictions on transferability of shares of restricted stock owned by him if a future triggering event under the policy occurs.

On February 22, 2019, under the BGC standing policy, our Compensation Committee granted exchange rights with respect to rights available to Mr. Lutnick. Mr. Lutnick elected to waive such rights one-time with such future opportunities to exchange to be cumulative. The number of Mr. Lutnick's units for which he waived exchangeability is 2,180,565 non-exchangeable BGC Holdings PSUs and 8,927 non-exchangeable BGC Holdings PPSUs with an aggregate determination amount of \$62,043.

On March 2, 2020, under the BGC standing policy, our Compensation Committee granted exchange rights with respect to rights available to Mr. Lutnick. Mr. Lutnick elected to waive such rights one-time with such future opportunities to exchange to be cumulative. The number of Mr. Lutnick's units for which he waived exchangeability is 8,055,781 non-exchangeable BGC Holdings PSUs and 1,678,326 non-exchangeable BGC Holdings PPSUs with an aggregate determination amount of \$11,508,700.

On April 8, 2021, under the BGC standing policy, our Compensation Committee granted exchange rights with respect to rights available to Mr. Lutnick. Mr. Lutnick elected to waive such rights one-time with such future opportunities to exchange to be cumulative. The number of Mr. Lutnick's units for which he waived exchangeability was 9,918,304 non-exchangeable BGC Holdings PSUs/PSU-Hs and 2,221,289 non-exchangeable BGC Holdings PPSUs/PPSU-Hs with an aggregate determination amount of \$15,166,255.

The Compensation Committee's approval of monetization of certain of Mr. Merkel's non-exchangeable BGCHLP holdings on December 21, 2021 as described above triggered Mr. Lutnick's cumulative rights under the BGC standing policy. On December 21, 2021, Mr. Lutnick accepted and exercised his rights pursuant to the BGC standing policy for the following transactions only: (i) redemption of 1,486,003 non-exchangeable BGCHLP PPSUs for a tax payment of \$8,645,800, for which he had previously waived his right; (ii) redemption of 453,893 non-exchangeable BGCHLP PPSUs for tax payment of \$2,206,003, for which he received the right on December 21, 2021; and (iii) redemption of 2,011,731 non-exchangeable BGCHLP PSUs for zero and delivery of 2,011,731 shares of BGC Class A common stock, based upon the closing BGC Class A common stock price of \$4.57 per share, for which he had previously waived his right. Other than accepting the foregoing, Mr. Lutnick elected to waive his rights under the BGC standing policy one-time, with such future opportunities to exercise his rights to be cumulative, with respect to 7,392,805 non-exchangeable BGC Holdings PSUs.

Mr. Lutnick currently holds 7,392,805 non-exchangeable BGC Holdings PSUs that are subject to the standing policy. In connection with the Corporate Conversion Transactions, it is expected that (i) Mr. Lutnick will monetize these units and receive net shares of our Class A common stock, the number of which will be determined at the time of such monetization after payment of taxes and based on the then-current stock price; and (ii) Mr. Lutnick will have 2,523,800 non-exchangeable BGC Holdings PSUs remaining after such monetization. It is also expected that the standing policy, as appropriately amended and restated, will remain in place following completion of the Corporate Conversion Transactions.



## Partnership Enhancement Program

During March 2010, we began a global partnership redemption and compensation restructuring program to enhance our employment arrangements by leveraging our unique partnership structure. Under this program, participating partners generally agree to extend the lengths of their employment agreements, to accept a larger portion of their compensation in partnership units and to other contractual modifications sought by us. Also as part of this program, we redeemed limited partnership interests for cash and/or other units and granted exchangeability to certain units. At the same time, in certain years, we sold shares of Class A common stock under our controlled equity offering. In connection with the global partnership redemption and compensation program, we redeemed 4.7 million limited partnership units at a weighted-average price of \$5.83 per unit and an aggregate of 0.1 million founding partner units at a weighted-average price of \$4.86 per unit, during the year ended December 31, 2021. No exchangeability was granted on limited partnership units for the year ended December 31, 2021. In connection with this program, Cantor agreed to grant exchangeability on certain founding partner units. Also, during the year ended December 31, 2021, 29.7 million limited partnership units were cancelled in connection with the grant of 27.5 million shares of Class A common stock. No exchangeability was granted on limited partnership units for the nine months ended September 30, 2022 in connection with this program. During the nine months ended September 30, 2022, 7.9 million LPUs were issued for the vesting of 7.9 million NLPU-NEW units. The NLPU-NEW units generally vest over two years from the date of grant. The fair value is determined on the date of grant based on the market value of an equivalent share of BGC Class A common stock, and is recognized as compensation expense, net of the effect of estimated forfeitures, ratably over the vesting period. In addition, during the nine months ended September 30, 2022, as part of this program, we redeemed approximately 1.2 million limited partnership units at a weighted-average price of \$3.88 per unit and an aggregate of 0.1 million founding partner units at a weighted-average price of \$3.23 per unit. Also, during the nine months ended September 30, 2022, 14.1 million limited partnership units were cancelled in connection with the grant of 13.7 million shares of Class A common stock.

## Perquisites

Historically, from time to time, we have provided certain of our executive officers with perquisites and other personal benefits that we believe are reasonable. While we do not view perquisites as a significant element of our executive compensation program, we do believe that they can be useful in attracting, motivating and retaining the executive talent for which we compete. From time to time, these perquisites might include travel, transportation and housing benefits, particularly for executives who live overseas and travel frequently to our other office locations. We believe that these additional benefits may assist our executive officers in performing their duties and provide time efficiencies for them in appropriate circumstances, and we may consider their use in the future. All present or future practices regarding executive officer perquisites will be subject to periodic review and approval by our Compensation Committee. The perquisites and other personal benefits, if any, provided to such executive officers generally have not had an aggregate incremental cost to us per individual that exceeds \$10,000.

We offer medical, dental, life insurance, short and long term disability insurance and a 401(k) plan to all employees on a non-discriminatory basis. Medical insurance premiums are charged to employees at varying levels based on total cash compensation, and all of our executive officers were charged at the maximum contribution level in light of their compensation. Certain of our executive officers living in London have in the past received certain additional private medical benefits.

## Post-Employment Compensation

### *Pension Benefits*

We do not currently provide pension arrangements or post-retirement health coverage for our employees in the U.S., although we may consider such benefits in the future. For our employees in the U.K., other than executives who are members of the U.K. Partnership, we provide a pension arrangement as required by law.



#### *Retirement Benefits*

Our executive officers in the U.S. are generally eligible to participate in our 401(k) contributory defined contribution plan, which we refer to as our “Deferral Plan.” Pursuant to the Deferral Plan, all U.S. eligible employees, including our executive officers, are provided with a means of saving for their retirement. We currently do not match any of our executive officers’ contributions to our Deferral Plan.

#### *Nonqualified Deferred Compensation*

We do not provide any nonqualified deferred compensation plans to our employees, although we may consider such benefits in the future.

#### **COMPENSATION COMMITTEE REPORT**

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis, which we refer to as the “CD&A,” set forth in this Proxy Statement with management of the Company and, based on such review and discussions, the Compensation Committee recommended to the Company’s Board of Directors that the CD&A be included in this Proxy Statement.

Dated: December 1, 2022

#### THE COMPENSATION COMMITTEE

Linda A. Bell, Chair  
Stephen T. Curwood  
William J. Moran  
David P. Richards  
Arthur U. Mbanefo



## EXECUTIVE COMPENSATION

### Summary Compensation Table

(a) Name and Principal Position	(b) Year	(c) Salary (\$)	(d) Bonus (\$)	(e) Equity Awards (Related to Prior Periods) (\$)(2)	(f) Option Awards (\$)	(g) Non-Equity Incentive Plan Compensation (\$)(3)	(h) Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	(i) All Other Compensation (\$)	(j) Total (\$)
Howard W. Lutnick, Chairman of the Board of Directors and Chief Executive Officer	2021(1)	1,000,000	—	7,831,243	—	11,000,000	—	—	19,831,243
	2020(1)	1,000,000	—	—	—	11,000,000	—	—	12,000,000
	2019(1)	1,000,000	—	—	—	10,750,000	—	—	11,750,000
Stephen M. Merkel, Executive Vice President and General Counsel	2021(1)	1,000,000	—	—	—	750,000	—	—	1,750,000
	2020(1)	1,000,000	—	530,400	—	750,000	—	—	2,280,400
	2019(1)	1,000,000	—	1,096,054	—	750,000	—	—	2,846,054
Sean A. Windeatt, Chief Operating Officer(4)	2021(1)	782,880	—	334,695	—	1,565,760	—	—	2,683,335
	2020(1)	685,000	—	378,319	—	1,781,000	—	—	2,844,319
	2019(1)	616,056	—	—	—	1,550,764	—	—	2,166,820
Steven Bisgay, Former Chief Financial Officer(5)	2021(1)	750,000	—	—	—	1,250,000	—	—	2,000,000
	2020(1)	750,000	—	—	—	1,250,000	—	—	2,000,000
Shaun D. Lynn, Former President	2020(1)	1,000,000	—	764,237	—	2,500,000	—	—	4,264,237
	2019(1)	1,000,000	—	—	—	3,000,000	—	—	4,000,000

- (1) The awards represented in column (g) for 2021 for Mr. Lutnick were made on December 21, 2021 and reflected a stock price of \$4.57 per share, and for Mr. Merkel, Mr. Windeatt and Mr. Bisgay, the awards represented in column (g) for 2021 were made on March 14, 2022 and reflected a stock price of \$4.33 per share. The awards represented in column (g) for 2020 were made on April 8, 2021 and reflected a stock price of \$5.38 per share. The awards represented in column (g) for 2019 were made on March 2, 2020 and reflected a stock price of \$4.84 per share.
- (2) The 2021 amount under column (e) for Mr. Lutnick of \$7,831,243 represents: the aggregate fair value of the redemption of 1,713,620 BGC Holdings PSUs for zero; and (ii) the issuance of 1,713,620 shares of BGC Class A common stock at \$4.57 per share. These shares were issued to Mr. Lutnick in connection with his December 2021 monetization of long-term incentive awards originally issued to Mr. Lutnick in 2016 in the form of NPSUs, which were not previously included in column (g) at full notional value. Mr. Lutnick has not sold these shares.

The 2021 amount in column (e) for Mr. Windeatt of \$334,695 represents the fair value of 62,211 exchangeable BGC Holdings LPUs held by Mr. Windeatt, repurchased by the Company at a price of \$5.38 per unit, for an aggregate of \$334,695. These LPUs were granted to Mr. Windeatt in exchange for certain long-term incentive awards in the form of NLPUs granted to Mr. Windeatt in 2017, which were not previously included in column (g) at full notional value.

In February 2019, Mr. Lutnick was granted the right to exchange 876,852 non-exchangeable BGC Holdings PSUs into 876,852 non-exchangeable partnership units with a capital account (HDUs) (which, based on the closing price of the BGC Class A common stock of \$6.20 per share on February 6, 2019, had a value of \$5,436,482) and the right to exchange for cash 203,125 BGC Holdings non-exchangeable PPSUs held by Mr. Lutnick (which had an average determination price of \$6.95 per unit) for a payment of \$1,411,720 for taxes when the foregoing PPSUs are exchanged. These PSUs and PPSUs were issued to Mr. Lutnick in connection with prior year-end compensation grants under the BGC Incentive Plan and were for the applicable period. Mr. Lutnick exercised his right to exchange these units in December 2021, and Mr. Lutnick has not sold any shares in connection with these rights.

The 2020 amount under column (e) for Mr. Merkel of \$530,400 represents the aggregate fair value of: (i) the redemption of 90,000 BGC Holdings PPSUs at the determination price of \$2.52 per PPSU and the redemption of 110,000 BGC Holdings PSUs for zero; and (ii) the issuance of 110,000 shares of BGC Class A common stock at \$2.76 per share on July 30, 2020, the closing price of BGC Class A common stock. All of the units were the result of a March 2019 contractual grant of BGC Holdings PSUs / PPSUs.

The 2020 amount under column(e) for Mr. Windeatt of \$378,319 represents the aggregate fair value of: 15,238 exchangeable BGC Holdings PLPUs held by Mr. Windeatt that were redeemed at the determination price of \$6.1184 per PLPU and 76,973 exchangeable BGC Holdings LPUs that were redeemed for \$2.90 per unit (the August 5, 2020 closing price of BGC Class A common stock) and 1,316 exchangeable BGC Holdings LPUs and 512 exchangeable PLPUs held by Mr. Windeatt that were redeemed for zero in connection with Mr. Windeatt's U.K. LLP status, plus 6,137 Newmark LPUs made exchangeable by the Committee on August 5, 2020, and exchanged for 5,748 Newmark shares at \$4.16 per share on August 6, 2020 based on the exchange ratio of 0.9366 and 2,387 Newmark PLPUs with a determination price of \$15.90 which were made exchangeable by the Committee on August 5, 2020.



The 2020 amount under column (e) for Mr. Lynn of \$764,237 represents the aggregate fair value of: 63,175 exchangeable BGC Holdings PLPUs held by Mr. Lynn that were redeemed at the determination price of \$5.00 per PLPU and 162,450 exchangeable BGC Holdings LPUs that were redeemed for \$2.76 per unit (the July 30, 2020 closing price of BGC Class A common stock); and 17,550 exchangeable BGC Holdings LPUs and 6,825 exchangeable PLPUs held by Mr. Lynn that were redeemed for zero in connection with Mr. Lynn's U.K. LLP status. All of the units were the result of a January 2015 grant of 1,000,000 BGC Holdings NPSUs.

The 2019 amount under column (e) for Mr. Merkel of \$1,096,054 represents 50% of \$2,192,108 which is BGC's allocation of the aggregate value of: (i) the redemption of 90,000 BGC Holdings PPSUs at the determination price of \$6.26 per PPSU and redemption of 110,000 BGC Holdings PSUs for zero; (ii) issuance of 93,560 shares of BGC Class A common stock at \$6.26 per share, which is less applicable taxes and withholdings; (iii) the redemption of 40,909 Newmark Holdings PPSUs at the determination price of \$10.70 per PPSU and redemption of 50,000 Newmark Holdings PSUs for zero; and (iv) issuance of 42,864 shares of Newmark Class A common stock at \$10.26 per share, which is less applicable taxes and withholdings, as approved by the BGC Compensation Committee for Mr. Merkel on February 22, 2019, which was the date of these transactions. The foregoing amount of \$2,192,108 was allocated 50% to BGC and 50% to Newmark based on the allocation methodology for Mr. Merkel. Such redeemed BGC Holdings PSUs and PPSUs were originally issued in 2018 pursuant to the prior approval of the BGC Compensation Committee in 2016, and such redeemed Newmark Holdings PSUs and PPSUs were originally issued in 2018 in connection with the issuance of such BGC Holdings PSUs and PPSUs.

Column (e) does not include certain compensatory grants of BGC Holdings units described below because such grants did not represent a right to acquire shares of BGC Class A common stock and had no grant date fair value for accounting purposes. Column (e) also does not include certain monetizations of BGC Holdings units described below that would otherwise be included in column (e) because the BGC Holdings units involved were the subject of previous dollar-denominated awards under the Incentive Plan reported in column (g) of the Summary Compensation Table at full notional value.

As to Mr. Lynn, in 2019, 250,000 BGC Holdings NPSUs were replaced by 180,000 non-exchangeable BGC Holdings LPUs.

As to Mr. Lynn, in 2019, 750,000 BGC Holdings NPSUs were replaced by 610,000 non-exchangeable BGC Holdings LPUs and 140,000 non-exchangeable BGC Holdings PLPUs. As to Mr. Merkel in 2019, (a) 110,000 of Mr. Merkel's BGC Holdings NPSUs were replaced by 110,000 non-exchangeable BGC Holdings PSUs and 90,000 of Mr. Merkel's BGC Holdings NPSUs were replaced by 90,000 non-exchangeable BGC Holdings PPSUs, and (b) 90,000 of Mr. Merkel's BGC Holdings PPSUs were redeemed at the determination price of \$6.26 per PPSU and 93,560 shares of BGC Class A common stock were issued to Mr. Merkel at \$6.26 per share, which is less applicable taxes and withholdings. As to Mr. Windeatt in 2019, 18,750 BGC Holdings NPSUs were replaced by 12,188 non-exchangeable BGC Holdings LPUs and 6,563 non-exchangeable BGC Holdings PLPUs. Also as Mr. Windeatt, in 2019, 100,000 of such NPSUs were replaced by 100,000 non-exchangeable BGC Holdings LPUs.

On February 22, 2019, the Committee approved the grant of exchange rights to Mr. Lynn with respect to 43,131 non-exchangeable BGC Holdings LPUs (which at the closing price of our Class A common stock of \$6.26 per share on such date, had a value of \$270,000) and the exchange for cash (at the average determination price of \$4.1239 per unit) of 25,461 non-exchangeable BGC Holdings PLPUs for a payment of \$105,000 for taxes. On March 1, 2019, we repurchased for cash of 716,079 of Mr. Lynn's exchangeable BGC Holdings LPUs at \$6.109 per unit based on the average proceeds of the sale of shares of our Class A common stock under our Controlled Equity Offering from February 25, 2019 through March 1, 2019 less 1%, for an aggregate of \$4,374,553. In connection with these transactions, the remaining 77,360 exchangeable BGC Holdings LPUs were redeemed for zero. On January 28, 2020, the Compensation Committee approved the redemption for zero at \$6.26 per unit of 172,051 non-exchangeable BGC Holdings New PLPUs held by Mr. Lynn at \$6.26 per unit. On March 2, 2020, the Compensation Committee approved the grant of exchange rights to Mr. Lynn with respect to 883,348 non-exchangeable BGC Holdings LPUs and 245,140 non-exchangeable BGC Holdings PLPUs (at the average determination price of \$4.4856 per unit). On July 30, 2020, the Company redeemed 797,222 BGC Holdings exchangeable LPUs held by Mr. Lynn at the price of \$2.76, the closing price of our Class A common stock on July 30, 2020. In connection with the redemption of the 797,222 exchangeable BGC Holdings LPUs, 221,239 exchangeable BGC Holdings PLPUs were redeemed for \$992,388 for taxes. In connection with the redemption, Mr. Lynn's remaining 86,126 exchangeable BGC Holdings LPUs and 23,901 exchangeable BGC Holdings PLPUs were redeemed for zero upon exchange in connection with his LLP status. On April 8, 2021, the Compensation Committee approved the redemption of 43,585 of Mr. Lynn's non-exchangeable BGC Holdings PLPUs for cash at the average determination price of \$4.284 per unit and 112,076 of Mr. Lynn's non-exchangeable BGC Holdings LPUs for zero in connection with the issuance of 112,076 shares of Class A common stock, which, less applicable taxes and withholdings, were repurchased by the Company at the price of \$5.38 per share, the closing price of our Class A common stock on April 8, 2021. Due to Mr. Lynn's U.K.LLP membership, 4,709 additional non-exchangeable BGC Holdings PLPUs and 12,108 additional non-exchangeable BGC Holdings LPUs were redeemed for zero. On March 2, 2020, the Committee authorized redeeming a sufficient number of BGC Holdings PNLPU-NEW units held by Mr. Lynn and Mr. Windeatt at the appropriate time each year to permit them to fund their tax liability for their BGC Holdings NLPUs-NEW and PNLPU-NEW awards, which is expected to be in January of the year following issuance, in accordance with the LLP structure. Pursuant to this authorization, 89,476 of Mr. Lynn's PNLPU-NEW units issued effective April 1, 2020 were redeemed for a cash payment based upon \$4.84 per unit, and 45,143 of Mr. Windeatt's PNLPU-NEW units issued effective April 1, 2020 were redeemed for a cash payment based upon \$4.84 per unit, to fund their tax liability due in January 2021 for the BGC Holdings NLPUs-NEW and PNLPU-NEW awards issued effective April 1, 2020. On April 8, 2021, the Compensation Committee approved the exchange on April 23, 2021 of 558,107 exchangeable BGC Holdings LPU-NEWs held by Mr. Lynn into shares of BGC Class A common stock and the redemption of 128,468 exchangeable BGC Holdings PLPUs held by Mr. Lynn for \$804,210, less applicable taxes and withholdings. Column (e) does not include the fair value of these grants of exchange





rights because each of those LPUs and PLPUs was originally granted to Mr. Lynn in partial payment of bonuses awarded to him under the BGC Incentive Plan for prior years and reflected in column (g) of the table for each of those prior years at their full notional dollar values.

On March 2, 2020, consistent with the previously approved schedule, the Compensation Committee approved the grant of exchange rights to Mr. Merkel with respect to 110,000 non-exchangeable PSUs and 90,000 non-exchangeable PPSUs (at an average determination price of \$5.6757 per unit). The Compensation Committee also approved the grant of exchange rights to Mr. Merkel with respect to an additional 250,065 non-exchangeable BGC Holdings PSUs and 175,568 non-exchangeable BGC Holdings PPSUs (at an average determination price of \$5.6757 per unit). On March 20, 2020, the Company repurchased 185,300 of such 360,065 exchangeable BGC Holdings PSUs at the average price of shares of Class A common stock sold under the Company's controlled equity offering from March 10, 2020 to March 13, 2020 less 1% (approximately \$4.0024 per limited partnership interest, for an aggregate purchase price of approximately \$741,644) and redeemed 122,579 of such 265,568 exchangeable BGC Holdings PPSUs for \$661,303, for an aggregate payment of \$1,402,947. On July 30, 2020, the Company redeemed the remaining 174,765 exchangeable BGC Holdings LPUs held by Mr. Merkel at the price of \$2.76, the closing price of our Class A common stock on July 30, 2020. In connection with the redemption of the 174,765 exchangeable BGC Holdings LPUs on July 30, 2020, 142,989 exchangeable BGC Holdings PLPUs were redeemed for \$846,182. Column (e) does not include the fair value of these grants of exchange rights because each of those LPUs and PLPUs was originally granted to Mr. Merkel in partial payment of bonuses awarded to him under the BGC Incentive Plan for prior years and reflected in column (g) of the table for each of those prior years at their full notional dollar values.

On March 27, 2019, we repurchased an aggregate of 233,172 shares of Class A common stock from Mr. Merkel at a price of \$5.30 per share, for an aggregate of \$1,235,812.

On February 22, 2019, the Compensation Committee approved the grant of exchange rights to Mr. Windeatt with respect to 22,020 non-exchangeable BGC Holdings LPUs (which at the closing price of \$6.26 per share on such date, had a value of \$137,845) and the exchange for cash (at the average determination price of \$5.6457 per unit) of 9,495 non-exchangeable BGC Holdings PLPUs for a payment of \$53,606 for taxes. On March 1, 2019, we repurchased for cash 145,560 of Mr. Windeatt's exchangeable BGC Holdings LPUs at \$6.109 per unit based on the average proceeds of the sale of shares of our Class A common stock under our Controlled Equity Offering from February 25, 2019 through March 1, 2019, less 1%, for an aggregate of \$889,230. In connection with these transactions, the remaining 15,725 exchangeable BGC Holdings LPUs were redeemed for zero. On March 2, 2020, the Compensation Committee approved the grant of exchange rights to Mr. Windeatt with respect to 519,725 non-exchangeable BGC Holdings LPUs and 97,656 non-exchangeable BGC Holdings PLPUs (at the average determination price of \$6.6128 per unit). On August 5, 2020, the Company redeemed 436,665 exchangeable BGC Holdings LPUs held by Mr. Windeatt at the price of \$2.90, the closing price of our Class A common stock on August 5, 2020. In connection with the redemption of the 436,665 exchangeable BGC Holdings LPUs, 96,216 exchangeable BGC Holdings PLPUs were redeemed for \$637,866 for taxes. In connection with the redemption, 20,849 exchangeable BGC Holdings LPUs and 1,440 exchangeable BGC Holdings PLPUs were redeemed for zero (at an average determination price of \$5.4971 per unit) upon exchange in connection with Mr. Windeatt's LLP status. Additionally, on August 5, 2020, the Compensation Committee approved the grant of exchange rights to Mr. Windeatt with respect to 40,437 non-exchangeable BGC Holdings LPUs and 21,774 non-exchangeable BGC Holdings PLPUs (at the average determination price of \$6.6128 per unit). On August 5, 2020 the Company redeemed these 40,437 exchangeable BGC Holdings LPUs held by Mr. Windeatt at the price of \$2.90, the closing price of our Class A common stock on August 5, 2020. In connection with the redemption of these 40,437 exchangeable BGC Holdings LPUs, the 21,774 exchangeable BGC Holdings PLPUs were redeemed for \$136,305 for taxes. In addition to the foregoing, on August 6, 2020, Mr. Windeatt was granted exchange rights with respect to 43,890 non-exchangeable Newmark Holding LPUs that were previously granted to Mr. Windeatt. Additionally, Mr. Windeatt was granted the right to exchange for cash 17,068 non-exchangeable Newmark Holdings PLPUs held by Mr. Windeatt. As these Newmark Holdings LPUs and PLPUs were previously non-exchangeable, the Company took a transaction charge of \$381,961 upon grant of exchangeability. On August 6, 2020, Newmark redeemed the 40,209 Newmark Holdings exchangeable LPUs held by Mr. Windeatt for an amount equal to the closing price of Newmark's Class A common stock on August 6, 2020 (\$4.16) multiplied by 37,660 (the amount of shares of Newmark's Class A common stock the 40,209 Newmark Holdings LPUs were exchangeable into based on the Exchange Ratio at August 6, 2020). In connection with the redemption of these 40,209 exchangeable Newmark Holdings LPUs, 15,637 exchangeable Newmark Holdings PLPUs were redeemed for \$194,086 for taxes. In connection with the redemption, 3,681 exchangeable Newmark Holding LPUs and 1,431 exchangeable Newmark Holdings PLPUs were redeemed for zero upon exchange in connection with Mr. Windeatt's LLP status. On April 8, 2021, the Compensation Committee approved the repurchase by the Company on April 23, 2021 of 123,713 exchangeable BGC Holdings LPU-NEWs held by Mr. Windeatt at the price of \$5.65, which was the closing price of our Class A common stock on April 23, 2021, and the redemption of 28,477 exchangeable BGC Holdings PLPU-NEWs held by Mr. Windeatt for \$178,266, less applicable taxes and withholdings. Column (e) does not include the fair value of these grants of exchange rights because each of those LPUs and PLPUs was originally granted to Mr. Windeatt in partial payment of bonuses awarded to him under the BGC Incentive Plan for prior years and reflected in column (g) of the table for each of those prior years at their full notional dollar values.

- (3) The amounts in column (g) reflect the bonus awards to the named executive officers under our Incentive Plan.

For 2021, Mr. Lutnick's Incentive Plan bonus for BGC was \$11,000,000 paid \$2,000,000 in cash and \$9,000,000 in a partnership award represented by 1,280,088 non-exchangeable BGC Holdings PSUs and 689,278 non-exchangeable BGC Holdings PPSUs at \$4.57 per unit; Mr. Merkel's Incentive Plan bonus was \$750,000 paid \$0 in cash and \$750,000 in a partnership award represented by 86,605 non-exchangeable BGC Holdings NPSU-CVs and 86,605 non-exchangeable BGC Holdings NPPSU-CVs at \$4.33 per unit; Mr. Windeatt's Incentive Plan bonus was \$1,565,760 (£1,200,000) paid \$287,056 (£220,000) in cash and \$1,278,704 (£980,000) in the form of 25,234 non-exchangeable BGC Holdings NLPV-CVs and 22,378 non-exchangeable BGC Holdings NPLPU-CVs at \$4.33 per unit, as



well as 103,812 non-exchangeable BGC Holding LPU-NEUs and 55,899 BGC Holding PLPU-NEUs at \$4.33 per unit, which shall have certain exchange rights beginning March 14, 2024 upon certain conditions and \$381,002 (£292,000) attributed to Mr. Windeatt's previously issued BGC Holdings NLPU / NPLPU award effective January 1, 2021 based upon the expectation of including \$400,000 of the January 1, 2021 award as part of Mr. Windeatt's annual compensation for calendar years 2020 through 2024; and Mr. Bisgay's Incentive Plan bonus was \$1,250,000 paid \$750,000 in cash and \$500,000 in a partnership award represented by 57,737 non-exchangeable BGC Holdings NPSU-CVs and 57,737 non-exchangeable BGC Holdings NPPSU-CVs at \$4.33 per unit.

For 2020, Mr. Lutnick's Incentive Plan bonus for BGC was \$11,000,000 paid \$2,000,000 in cash and \$9,000,000 in a partnership award represented by 1,087,361 non-exchangeable BGC Holdings PSUs and 585,502 non-exchangeable BGC Holdings PPSUs; Mr. Lynn's Incentive Plan bonus was paid \$2,500,000 in the form of 86,199 non-exchangeable BGC Holdings NLPUs and 76,441 non-exchangeable BGC Holdings NPLPUs as well as 196,329 non-exchangeable BGC Holding LPU-NEUs and 105,716 BGC Holding PLPU-NEUs, which shall have certain exchange rights beginning April 1, 2023, upon certain conditions; Mr. Merkel's Incentive Plan bonus was \$750,000 paid \$312,500 in cash and \$437,500 in a partnership award represented by 40,660 non-exchangeable BGC Holdings NPSUs and 40,660 non-exchangeable BGC Holdings NPPSUs; Mr. Windeatt's Incentive Plan bonus was \$1,781,000 (£1,300,000) paid \$102,750 (£75,000) in cash and \$1,278,210 (£933,000) in the form of 21,324 non-exchangeable BGC Holdings NLPUs and 18,910 non-exchangeable BGC Holdings NPLPUs as well as 128,279 non-exchangeable BGC Holding LPU-NEUs and 69,073 BGC Holding LPU-NEUs, which shall have certain exchange rights beginning April 1, 2023 upon certain conditions and \$400,000 (£292,000) attributed to Mr. Windeatt's previously issued BGC Holdings NLPU / NPLPU award effective January 1, 2021 based upon the expectation of including \$400,000 of the January 1, 2021 award as part of Mr. Windeatt's annual compensation for calendar years 2020 through 2024; and Mr. Bisgay's Incentive Plan bonus was \$1,250,000 paid \$1,025,000 in cash and \$225,000 in a partnership award represented by 20,911 non-exchangeable BGC Holdings NPSUs and 20,911 non-exchangeable BGC Holdings NPPSUs.

For 2019, Mr. Lutnick's Incentive Plan bonus for BGC was \$10,750,000 paid \$2,000,000 in cash and \$8,750,000 in a partnership award represented by 1,175,103 non-exchangeable BGC Holdings PSUs and 632,748 non-exchangeable BGC Holdings PPSUs; Mr. Lynn's Incentive Plan bonus was paid \$3,000,000 in the form of 134,298 non-exchangeable BGC Holdings LPU-NEUs and 72,314 non-exchangeable BGC Holdings PLPU-NEUs as well as 268,595 non-exchangeable BGC Holding NLPU-NEUs and 144,628 BGC Holding NLPU-NEUs, which shall have certain exchange rights beginning March 2, 2022, upon certain conditions set forth above; Mr. Merkel's Incentive Plan bonus was \$750,000 in the form of 77,479 non-exchangeable BGC Holdings PSUs and 77,479 non-exchangeable BGC Holdings PPSUs; and Mr. Windeatt's Incentive Plan bonus was paid \$1,550,764 (£1,216,667) in the form of 72,750 non-exchangeable BGC Holdings LPU-NEUs and 39,173 non-exchangeable BGC Holdings PLPU-NEUs as well as 135,514 non-exchangeable BGC Holding NLPU-NEUs and 72,969 BGC Holding NLPU-NEUs, which shall have certain exchange rights beginning March 2, 2022 upon certain conditions set forth above.

- (4) For 2021, Mr. Windeatt's base salary was £600,000, and, the \$782,880 base salary reflected in the table was calculated using an exchange rate of 1.30, which was the exchange rate in effect as of March 14, 2022. For 2020, Mr. Windeatt's base salary was £500,000, and the \$685,000 base salary reflected in the table was calculated using an exchange rate of 1.37, the exchange rate in effect as of April 8, 2021. For 2019, Mr. Windeatt's base salary was £500,000, effective March 1, 2019. For January and February 2019, Mr. Windeatt's salary was based on his 2018 annual rate of £400,000. Mr. Windeatt therefore received approximately £483,333 in salary for 2019. The \$616,056 salary reflected in the table was calculated using an exchange rate of 1.2746, the exchange rate in effect as of March 2, 2020. For 2018, Mr. Windeatt's base salary was £400,000, and the \$522,280 base salary reflected in the table was calculated using an exchange rate of 1.3057, the exchange rate in effect as of February 22, 2019.
- (5) Mr. Bisgay served as Chief Financial Officer of the Company until June 6, 2022.





## Grants of Plan-Based Awards

The following table shows all grants of plan-based awards to the named executive officers in 2021:

(a) Name	(b) Grant Date	(c) Estimated Possible Payouts Under Non-Equity Incentive Plan Awards			(f) Estimated Future Payouts Under Equity Incentive Plan Awards			(i) All Other Grant Awards: Number of Shares of Stock or Units (#)(2)	(j) All Other Option Awards: Number of Securities Underlying Options (#)	(k) Exercise or Base Price of Option Awards (\$/Sh)	(l) Grant Date Fair Value of Stock and Option Awards (\$)(2)
		Threshold (\$)	Target (\$)	Maximum (\$)(1)	Threshold (#)	Target (#)	Maximum (#)				
Howard W. Lutnick	1/1/21	—	—	25,000,000	—	—	—	1,713,620	—	—	7,831,243
Stephen M. Merkel	1/1/21	—	—	25,000,000	—	—	—	—	—	—	—
Sean A. Windeatt	1/1/21	—	—	25,000,000	—	—	—	62,211	—	—	334,695
Steven Bisgay	1/1/21	—	—	25,000,000	—	—	—	—	—	—	—

- (1) The amounts in column (e) reflect the maximum possible individual payment under our Incentive Plan. During 2021, there were no specific minimum and target levels under the Incentive Plan. The \$25,000,000 maximum amount was the maximum annual amount available for payment to any one executive officer under the Incentive Plan for 2021, and our Compensation Committee retained negative discretion to award less than this amount. Actual amounts paid to each named executive officer for 2021 are set forth in column (g) of the Summary Compensation Table.
- (2) The amounts in columns (i) and (l) reflect aggregate grants under the Incentive Plan for Messrs. Lutnick and Windeatt for 2021. For Mr. Lutnick, the fair value of \$7,831,243 represents the aggregate fair value of: (i) the redemption of 1,713,620 BGC Holdings PSUs for zero; and (ii) the issuance of 1,713,620 shares of BGC Class A common stock at \$4.57 per share. For Mr. Windeatt, the fair value of \$334,695 represents the aggregate fair value of 62,211 exchangeable LPUs held by Mr. Windeatt, repurchased by the Company at a price of \$5.38 per unit, for an aggregate of \$334,695.

Of the 1,500,000 BGC Holdings NPSUs granted to Mr. Lutnick in 2016, in 2017, 375,000 were replaced by 270,000 non-exchangeable BGC Holdings PSUs and 105,000 non-exchangeable BGC Holdings PPSUs. On February 16, 2018, pursuant to the standing policy for Mr. Lutnick, all of Mr. Lutnick's remaining 3,800,000 BGC Holdings NPSUs were cancelled and replaced with 2,712,900 BGC Holdings PSUs and 1,087,100 BGC Holdings PPSUs, effective as of January 1, 2018, which is inclusive of the 1,125,000 remaining NPSUs from the above 2016 1,500,000 BGC Holdings NPSU grant.

As to Mr. Merkel, in 2019, (a) 110,000 of Mr. Merkel's BGC Holdings NPSUs were replaced by 110,000 non-exchangeable BGC Holdings PSUs and 90,000 of Mr. Merkel's BGC Holdings NPSUs were replaced by 90,000 non-exchangeable BGC Holdings PPSUs, and (b) 90,000 of Mr. Merkel's BGC Holdings PPSUs were redeemed at the determination price of \$6.26 per PPSU and 93,560 shares of BGC Class A common stock were issued to Mr. Merkel at \$6.26 per share, which is less applicable taxes and withholdings.

As to Mr. Windeatt, in 2019, 18,750 BGC Holdings NPSUs were replaced by 13,500 non-exchangeable BGC Holdings LPUs and 5,250 non-exchangeable BGC Holdings PLPUs and in 2020, 18,750 BGC Holdings NPSUs were replaced by 12,188 non-exchangeable BGC Holdings LPUs and 6,563 non-exchangeable BGC Holdings PLPUs.



## Outstanding Equity Awards at Fiscal Year End

None of the named executive officers held any unexercised options as of December 31, 2021. The following table shows all equity awards for services to the registrant held by each of the named executive officers as of December 31, 2021:

(a) Name	Option Awards					Grant Awards				
	(b) Number of Securities Underlying Unexercised Options/ Exchangeable Units Exercisable/ Exchangeable (#)(1)	(c) Number of Securities Underlying Unexercised Options/ Exchangeable Units Unexercisable/ Unexchangeable (#)(2)	(d) Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	(e) Option Exercise Price (\$)(1)	(f) Option Expiration Date	(g) Number of Shares or Units of Stock That Have Not Vested (#)	(h) Market Value of Shares or Units of Stock That Have Not Vested	(i) Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	(j) Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$)	
Howard W. Lutnick	520,380	—	—	—	—	—	—	—	—	
Stephen M. Merkel	—	—	—	—	—	—	—	—	—	
Sean A. Windeatt	—	—	—	—	—	—	—	—	—	
Steven Bisgav	—	—	—	—	—	—	—	—	—	

(1) Column (b) represents 520,380 exchangeable BGC Holdings PSUs held by Mr. Lutnick as of December 31, 2021. These exchangeable BGC Holdings units may be exchanged at any time on a 1:1 basis for shares of BGC's Class A common stock. As of December 31, 2021, the closing market price of a share of our Class A common stock was \$4.65. Column (b) does not include 1,474,930 BGC Holdings HDUs held by Mr. Lutnick as a result of converting units with HDU conversion rights.

Non-exchangeable BGC Holdings PSUs or LPUs held as of December 31, 2021 that are eligible to be granted exchange rights into our Class A common stock were as follows: Mr. Lutnick: 8,636,517 BGC Holdings PSUs; Mr. Merkel: 74,896 BGC Holdings PSUs; Mr. Windeatt: 394,938 BGC Holdings LPUs, and 128,279 BGC Holdings LPU-NEWs; Mr. Bisgay: 39,788 BGC Holdings PSUs.

BGC Holdings NPSUs held as of December 31, 2021 that are eligible to be replaced by non-exchangeable BGC Holdings PSUs / PPSUs or LPUs / PLPUs, which in turn would be eligible to be granted exchange rights for shares of our Class A common stock or cash, were as follows: Mr. Merkel: 40,660 BGC Holdings NPSU-CVs; Mr. Windeatt: 458,425 BGC Holdings NLPUs, 21,234 BGC Holdings NLPU-CVs and 135,514 BGC Holdings NLPU-NEWs; and Mr. Bisgay: 20,911 BGC Holdings NPSU-CVs.

(2) Column (c) does not include 69,073 non-exchangeable BGC Holdings PLPU-NEWs, and 45,736 BGC Holdings PLPUs held by Mr. Windeatt as of December 31, 2021, 39,788 non-exchangeable BGC Holdings PPSUs held by Mr. Bisgay because they did not represent a right to acquire shares of our Class A common stock.

## Option Exercises and Stock Vested

During 2021 no options were exercised by and no stock vested for any of the named executive officers.

## Potential Payments upon Change in Control

The following table provides information regarding the estimated amounts payable to the named executive officers listed below, upon either termination or continued employment if such change in control had occurred on December 31, 2021 under their change in



control and other agreements, described below, in effect on December 31, 2021 (including NPSUs granted and Incentive Plan and other bonuses and commissions paid during and with respect to the year ended December 31, 2021). The amounts are determined, where applicable, using the \$4.65 closing market price of our Class A common stock as of December 31, 2021 in accordance with SEC rules. All amounts, including estimated vesting of equity compensation and tax gross-up payments, are subject to the specific terms and conditions set forth in the applicable change of control or other agreements and applicable law:

Name	Base Salary (\$)	Bonus (\$)	Vesting of Equity Compensation \$(1)	Welfare Benefit Continuation (\$)	Tax Gross-Up Payment \$(2)	Total (\$)
Howard W. Lutnick						
Termination of Employment	2,000,000	22,000,000	—	100,998	—	24,100,998
Extension of Employment	1,000,000	11,000,000	—	100,998	—	12,100,998
Stephen M. Merkel						
Termination of Employment	2,000,000	1,500,000	—	110,798	—	3,610,798
Extension of Employment	1,000,000	750,000	—	110,798	—	1,860,798
Sean A. Windeatt						
Termination of Employment	1,565,760(3)	3,131,520(3)	—	16,103	—	4,713,383
Extension of Employment	782,880(3)	1,565,760(3)	—	—	—	2,348,640

- (1) Upon a change in control at December 31, 2021, Messrs. Lutnick, and Merkel would have had the right to receive (i) replacement of any partnership units ineligible for exchange rights with new partnership units eligible for such exchange rights, (ii) grants of immediately exchangeable exchange rights (into stock or cash, as applicable) with respect to any non-exchangeable limited partnership units (including those replacement units described in clause (i)); and (iii) the immediate lapse of any restrictions on transferability of any shares of restricted stock held by them at such time. Upon a change in control at December 31, 2021, Mr. Windeatt would have the right to receive (ii) and (iii) above.

At December 31, 2021, Messrs. Lutnick, Merkel and Windeatt held the following numbers of such BGC Holdings non-exchangeable non-preferred partnership units (PSUs or LPUs, LPU-NEWs, PSU-Hs, NPSUs/NLPUs, NPSU-CVs and NLPU-CVs that would be replaced with PSUs/PPSUs or LPUs/PLPUs): Mr. Lutnick: 8,636,517 units; Mr. Merkel: 115,556 units; and Mr. Windeatt: 1,128,480 units. Based on the closing price of the BGC Class A common stock of \$4.65 on December 31, 2021, the aggregate value of the shares and cash underlying such grants for each such person would have been as follows: Mr. Lutnick: \$40,159,804; Mr. Merkel: \$537,335; and Mr. Windeatt: \$5,247,432. The foregoing does not include Mr. Lutnick's 1,474,930 HDUs which have a capital account associated of \$9,144,567.

At December 31, 2021, Mr. Lutnick did not hold any BGC Holdings PPSUs/PPSU-Hs, and Messrs. Merkel and Windeatt held the following numbers of non-exchangeable BGC Holdings NPPSUs/NPPSU-CVs/PPSUs/PPSU-Hs/PLPUs/PLPUs-NEW/PNLPU-CVs or PNLPU-Hs: Mr. Merkel: 40,660 non-exchangeable BGC Holdings NPPSU-CVs; Mr. Windeatt: 408,389 non-exchangeable BGC Holdings PNLPU-Hs/PLPUs/PLPUs-NEW/PNLPU-CVs. Based on the applicable determination price of each grant of the BGC Holdings NPPSUs/NPPSU-CVs/PPSUs/PPSU-Hs/PLPUs/PLPU-NEW/PNLPU-CVs or PNLPU-Hs, as applicable, the cash value underlying such exchange rights would have been \$218,751 with respect to the non-exchangeable BGC Holdings PPSU-CVs for Mr. Merkel; and \$1,536,608 with respect to the non-exchangeable BGC Holdings PLPUs/PNLPU-Hs/PNLPU-CVs/PLPU-NEW/PNLPU-NEWs for Mr. Windeatt.

In each case, the units exclude any units subject to redemption for zero or for cash in accordance with applicable agreements. See "—Change in Control Agreements below."

As of December 31, 2021, Messrs. Lutnick, Merkel and Windeatt did not hold any shares of BGC restricted stock.

With respect to a number of the non-exchangeable BGC Holdings PSUs, non-exchangeable BGC Holdings PPSUs, non-exchangeable BGC Holdings NPSUs, non-exchangeable BGC Holdings LPUs and/or non-exchangeable BGC Holdings PLPUs issued prior to December 13, 2017, the ratable portion of the remaining Newmark Holdings units held by Mr. Windeatt in association with the foregoing units would be added to such executive's above amount to the extent applicable and in accordance with his arrangement. Based upon Mr. Windeatt's remaining holdings as of December 31, 2021, this would include 325,127 non-exchangeable Newmark Holdings LPUs (which, at the December 31, 2021 Newmark



Class A common stock price of \$18.70 as adjusted by an exchange ratio of 0.9444, had a value of \$5,741,834). BGC would have borne the expense of the above Newmark Holdings transactions if they had occurred.

- (2) Mr. Lutnick is also entitled to a tax gross-up for excess parachute payments, if any, that would be due in respect of the impact a change in control would have on certain of his outstanding partnership units as stated in footnote (1). The aggregate tax-gross up payment upon a termination of employment in connection with a change of control is \$41,149,903 when calculated based upon the equity compensation in footnote (1), base salary, bonus, and welfare benefit continuation as of December 31, 2021. The aggregate tax-gross up payment upon an extension of employment in connection with a change of control is \$31,874,182 when calculated based upon the equity compensation in footnote (1), base salary, bonus, and welfare benefit continuation as of December 31, 2021.

Mr. Merkel is also entitled to a tax gross-up for excess parachute payments, if any, that would be due in respect of the impact a change in control would have on certain of his outstanding partnership units as stated in footnote (1). There is no aggregate tax-gross up payment upon either a termination of employment, or upon an extension of employment, in connection with a change of control due when calculated based upon the equity compensation in footnote (1), base salary, bonus, and welfare benefit continuation as of December 31, 2021.

- (3) For 2021, Mr. Windeatt received £600,000 in salary and his bonus was £1,200,000. The \$782,880 salary and \$1,565,760 bonus reflected in the table were calculated using an exchange rate of 1.30480, the exchange rate in effect as of March 14, 2022.

### ***Change in Control Agreements***

On August 3, 2011, each of Messrs. Lutnick and Merkel entered into an amended and restated Change in Control Agreement with us, which we refer to as the “Change in Control Agreements,” providing that, upon a change in control, all stock options, RSUs, restricted stock, and other awards based on shares of Class A common stock held by them immediately prior to such change in control shall vest in full and become immediately exercisable, and all limited partnership units in BGC Holdings shall, if applicable, vest in full and be granted immediately exchangeable exchange rights for shares of Class A common stock. The amended and restated Change in Control Agreements also clarify the provisions relating to the continuation of medical and life insurance benefits for two years following termination or extension of employment, as applicable.

Under the Change in Control Agreements, if a change in control of the Company occurs (which will occur in the event that Cantor or one of its affiliates ceases to have a controlling interest in us) and Mr. Lutnick or Mr. Merkel elects to terminate his employment with us, such executive officer will receive in a lump sum in cash an amount equal to two times his annual base salary and the annual bonus paid or payable by us for the most recently completed year, including any bonus or portion thereof that has been deferred, and receive medical benefits for two years after the termination of his employment (provided that, if Mr. Lutnick or Mr. Merkel becomes re-employed and is eligible to receive medical benefits under another employer-provided plan, the former medical benefits will be secondary to the latter). If a change in control occurs and Mr. Lutnick or Mr. Merkel does not so elect to terminate his employment with us, such executive officer will receive in a lump sum in cash an amount equal to his annual base salary and the annual bonus paid or payable for the most recently completed fiscal year, including any bonus or portion thereof that has been deferred, and receive medical benefits, provided that in the event that, during the three-year period following the change in control, such executive officer’s employment is terminated by us (other than by reason of his death or disability), he will receive in a lump sum in cash an amount equal to his annual base salary and the annual bonus paid or payable for the most recently completed fiscal year, including any bonus or portion thereof that has been deferred. The Change in Control Agreements further provide for certain tax gross-up payments, provide for no duty of Mr. Merkel or Mr. Lutnick to mitigate amounts due by seeking other employment and provide for payment of legal fees and expenses as a result of any dispute with respect to the Agreements. The Change in Control Agreements further provide for indemnification of Mr. Lutnick and Mr. Merkel in connection with a challenge thereof. In the event of death or disability, or termination in the absence of a change in control, such executive officer will be paid only his accrued salary to the date of death, disability, or termination. The Change in Control Agreements are terminable by the Company upon two years’ advance notice on or after April 1, 2018.



### ***Employment Agreements and Deeds of Adherence***

In December 2012, Messrs. Lynn and Windeatt, our executive officers who were resident in the U.K., as well as many of our other former employees in the U.K., became members of the U.K. Partnership. Mr. Windeatt continues to serve as an executive officer, though it is intended that the majority of his day-to-day activities will be performed as a member of the U.K. Partnership.

As members of the U.K. Partnership, members render services to us as partners following their execution of Deeds of Adherence to the U.K. Partnership. Members receive Allocated Monthly Advance Drawings, which we refer to as “Drawings,” which are comparable to the salary payments under prior employment agreements, and are eligible for discretionary allocations of the U.K. Partnership’s profits. Any such Drawings or allocations, as well as any equity or partnership grants, are subject to the direction and control of our Compensation Committee and, in the case of allocations and equity or partnership grants, are made under the Incentive Plan, the Equity Plan, or the Participation Plan. Upon termination of their employment contracts, members in the U.K. have their outstanding PSUs redeemed.

In connection with their participation in the U.K. Partnership, U.K. members are issued BGC Holdings LPUs and BGC Holdings PLPUs. The U.K. Partnership is intended to improve the flexibility of our operating model in the U.K. and also to make certain benefits available to us and the relevant individuals from a U.K. employment, tax and regulatory perspective. We intend that BGC Holdings LPUs and BGC Holdings PLPUs, and NPSUs that may be replaced by BGC Holdings LPUs/PLPUs, will be used for the benefit of the U.K. Partnership members in future periods. Our Compensation Committee continues to review the performance and determine the compensation of the U.K. executive officers under its compensation philosophy and processes.

#### ***Sean A. Windeatt Agreements***

Mr. Windeatt originally had a standard employment agreement with BGC Brokers pursuant to which he was initially paid £200,000 per year. His base salary was raised to £275,000 as of January 1, 2010, £325,000 as of January 1, 2011, £375,000 (\$582,750 as of January 1, 2012), £400,000 (\$663,000 as of January 1, 2014), £500,000 (\$685,000 as of March 1, 2019) and £600,000 (\$822,000 as of January 1, 2021). He was also eligible for discretionary and Incentive Plan, Equity Plan and Participation Plan awards.

On December 31, 2012, Mr. Windeatt’s employment with BGC Brokers terminated, and he executed a deed of adherence as a member of the U.K. Partnership. Effective January 22, 2014, Mr. Windeatt executed an amended and restated deed of adherence to the U.K. Partnership, which we refer to as the “Windeatt Deed.” On November 5, 2020, Mr. Windeatt executed a Deed of Amendment (the “2020 Deed of Amendment”) with the U.K. Partnership which amends the Windeatt Deed, dated January 22, 2014, between Mr. Windeatt and the U.K. Partnership and the Deed of Amendment, dated February 24, 2017, between Mr. Windeatt and the U.K. Partnership (together, the “Deed”).

The Deed states that Mr. Windeatt may (i) not compete with the U.K. Partnership or its affiliates or solicit clients or counterparties of the U.K. Partnership or any affiliate for 24 months after his termination, and (ii) not solicit members or employees of the U.K. Partnership or any affiliate to leave their employment or to discontinue the supply of his or her services to the U.K. Partnership or any affiliate for 24 months after his termination.

Effective February 24, 2017, Mr. Windeatt executed a deed of amendment to the Windeatt Deed (the “Windeatt Amendment”). The Compensation Committee approved the Windeatt Amendment and a related letter agreement, dated February 24, 2017 (the “Windeatt Letter Agreement”), providing for a grant to Mr. Windeatt of 400,000 BGC Holdings NPSUs (the “Windeatt 2017 NPSUs”) and 100,000 BGC Holdings LPSUs, effective as of January 1, 2017.

As described above, on or about each April 1 of 2018 through 2021, pursuant to the Windeatt Letter Agreement, the Partnership shall grant an aggregate award of 100,000 non-exchangeable BGC Holdings LPUs in replacement of 100,000 of the Windeatt 2017



NPSUs, provided that (i) the Company, inclusive of all affiliates thereof, earns, in aggregate, at least \$5 million in gross revenues in the calendar quarter in respect of which the applicable award of LPUs is to be granted, and (ii) except in the event of Mr. Windeatt's death prior to the applicable grant date, Mr. Windeatt remains a member in the U.K. Partnership and has complied at all times with the Windeatt Deed (as amended) and Partnership Agreement, as of the applicable grant date. The LPUs shall be subject to customary adjustments due to membership in the U.K. Partnership upon their exchange or redemption (e.g., 9.75% cancellation/forfeiture upon exchange).

In the event of a change of control of the U.K. Partnership (which will occur if the Company is no longer controlled by Cantor or a person or entity controlled by, controlling or under common control with Cantor), the individual or entity that acquires control would have the option to either extend the term of Mr. Windeatt's membership in the U.K. Partnership for a period of three years from the date the change of control took effect (if the remaining term of the Windeatt Deed at the time of the change of control is less than three years), or to terminate Mr. Windeatt's membership. If the membership period is extended, Mr. Windeatt will be entitled to receive an amount equal to his aggregate profit allocation for the most recent full 12-month financial period (£600,000) in salary and any bonus paid) in addition to any other allocation that Mr. Windeatt would have been entitled to under the Deed. In addition, in the event that Mr. Windeatt remains a member in the U.K. Partnership on the second anniversary of the change of control (unless he is not engaged on such date solely as a result of termination by the continuing company under circumstances that constitute a fundamental breach of contract by it) and has not materially breached the Windeatt Deed, Mr. Windeatt will receive an additional payment equal to the payment he received at the time of the change of control. If Mr. Windeatt's membership is terminated, he is entitled to receive two times his aggregate profit allocation under the Windeatt Deed for the most recent full financial period in full and final settlement of all claims.

In each case, Mr. Windeatt will receive full vesting and immediate exchangeability of all options, RSUs, restricted stock, LPUs, PLPUs and any other BGC Holdings partnership units held by Mr. Windeatt at the time of the change of control (but excluding certain units that were granted solely for the purpose of participation in BGC Holdings quarterly distributions and will be redeemed for zero and unless otherwise provided in the applicable award agreement and including any such awards or units issued to him in connection with or related to such change in control) into either shares of Company Class A common stock or cash to the extent that any partnership units, such as PLPUs, cannot be exchanged into shares. Mr. Windeatt is also entitled to a continuation of benefits (e.g., health insurance) for two years and a pro rata discretionary profit allocation for the year of termination.

Also in the event of a change of control of the U.K. Partnership at any time while Mr. Windeatt is providing substantial services to the Company or an affiliate thereof (the date such event takes effect, the "Windeatt Change of Control"), then the Partnership shall grant exchangeable LPUs in replacement of any of the Windeatt 2017 NPSUs then held by Mr. Windeatt, and any such non-exchangeable BGC Holdings LPUs then held by Mr. Windeatt shall become exchangeable for shares of the Company's Class A common stock as follows: (a) in a lump sum following the third anniversary of the Windeatt Change of Control if Mr. Windeatt continuously provides substantial services (as an employee, member, partner, consultant or otherwise) to the Company, any of the individual(s) or entity(ies) which acquire(s) control of the Company (the "Windeatt Controller"), or any affiliate thereof for the three years after the Windeatt Change of Control, or (b) ratably on or about the first through third anniversaries following the Windeatt Change of Control if the Windeatt Controller permanently terminates Mr. Windeatt's services in all capacities to the Company, the Windeatt Controller, and all affiliates thereof prior to the third anniversary of the Windeatt Change of Control (provided that, in the event of a termination between the first and third anniversaries of the Windeatt Change of Control, the portion of the payment attributed to the anniversary(ies) that passed prior to such termination shall be delivered in a lump sum following such termination, with the outstanding portion to be delivered in accordance with the remaining anniversary(ies)). These rights are subject to compliance by Mr. Windeatt of certain terms and conditions set forth in the applicable agreements, including not engaging in Competitive Activity (as such term is defined under the Partnership Agreement) at any time prior to the applicable grant of exchangeability. The grant of exchangeability with respect to such LPUs will be determined in accordance with the Company's



practices when determining discretionary bonuses or awards, and any grants of exchangeability shall be subject to the approval of the Compensation Committee.

Under the 2020 Deed of Amendment, Mr. Windeatt's membership in the U.K. Partnership was extended from a minimum initial period of up to and including March 31, 2024 to September 30, 2025 (the "Initial Period"). In addition, under the 2020 Deed of Amendment, commencing October 1, 2023, either party may terminate the Deed by giving written notice to the other party at least twenty-four months prior to the expiration of the Initial Period (which is an increase from twelve months). Mr. Windeatt's membership, unless terminated earlier in accordance with the terms of the Deed, will continue following September 30, 2025 on the same terms and conditions set forth in the Deed until written notice to terminate is provided and the 24-month notice period expires.

Under the 2020 Deed of Amendment, Mr. Windeatt reports directly to the Chairman and/or Chief Executive Officer of the Company or his designate.

Pursuant to the 2020 Deed of Amendment, Mr. Windeatt is also entitled to an increase in drawings from an aggregate amount of £500,000 per year to an aggregate amount of £600,000 per year (£50,000 per month) effective January 1, 2021, which shall be reviewed by the Compensation Committee annually. Mr. Windeatt is also eligible for additional allocations of the U.K. Partnership's profits, subject to the approval of the Compensation Committee.

Finally, in connection with and in consideration for Mr. Windeatt's execution of the 2020 Deed Amendment, on November 5, 2020, the Company granted Mr. Windeatt 458,425 non-exchangeable, non-earning BGC Holdings NLPUs and 246,844 non-exchangeable non-earning BGC Holdings NLPUs, which were determined by dividing \$2,000,000 by \$2.84 (which was the volume-weighted average price per share of BGC Class A common stock for the ten trading-day period covering the nine trading days immediately prior to, and the trading day of, November 5, 2020).

In addition, the Compensation Committee approved a separate consultancy agreement between Mr. Windeatt and the U.K. Partnership dated February 24, 2017, under which Mr. Windeatt will be paid a fee of £8,333.33 per month (£100,000 per year) for his services, commencing upon the termination of his membership in the U.K. Partnership until the earlier of two years following such termination or such time as the U.K. Partnership chooses to terminate the engagement (the "Windeatt Consultancy Agreement"). The Windeatt Consultancy Agreement subjects Mr. Windeatt to substantially the same two-year restrictive covenants as in the Windeatt Deed subsequent to his consultancy termination.

#### *Shaun D. Lynn Agreement*

Mr. Lynn entered into an employment agreement with BGC Brokers L.P. on March 31, 2008, as amended on March 26, 2010 and August 3, 2011, which we refer to as the "Lynn Employment Agreement." The Lynn Employment Agreement had an initial six-year term and was subject to automatic extension for successive periods of one year each on the same terms and conditions unless either BGC Brokers or Mr. Lynn provided notice of non-renewal.

On December 31, 2012, Mr. Lynn's employment with BGC Brokers terminated, and he executed a deed of adherence as a member of the U.K. Partnership.

Effective as of January 7, 2013, Mr. Lynn executed an amended and restated deed of adherence to the U.K. Partnership, which we refer to as the "Old Lynn Deed." Under the Old Lynn Deed, Mr. Lynn's membership in the U.K. Partnership was for a minimum initial period ending March 31, 2014 and was subject to extension for successive periods of one year each on the same terms and





conditions unless either the U.K. Partnership or Mr. Lynn provides notice of non-renewal. In March 2013, the Old Lynn Deed was amended to provide for termination on 12-months' notice.

Pursuant to the Old Lynn Deed (and pursuant to the New Lynn Deed, as defined below), Mr. Lynn is entitled to certain payments in amounts that are comparable to those that he was paid under the Lynn Employment Agreement, including Drawings in the aggregate amount of \$1,000,000 per year (\$83,333 per month), which shall be reviewed by the Compensation Committee annually.

Mr. Lynn is also eligible for additional allocations of the U.K. Partnership's profits, subject to the approval of the Compensation Committee, comparable to his bonus award opportunities under the Lynn Employment Agreement. Any such additional allocation is subject to the satisfactory achievement by Mr. Lynn of such performance goals as may be established by the Compensation Committee under the Incentive Plan, the Equity Plan, or the Participation Plan, in its discretion from time to time, and the target allocation for each annual financial period is 300% of his aggregate Drawings for such period. To the extent that Mr. Lynn is eligible to receive a U.K. Partnership allocation, the first \$1,000,000 of such allocation shall be paid in cash, with the remainder, if any, to be paid in cash or a contingent non-cash grant, as determined by the Compensation Committee, which could be in the form of LPUs, PLPUs or other BGC Holdings partnership units or award types with a value to be determined by reference to the closing price of the Company's Class A common stock on the date of grant. For 2016, Mr. Lynn waived the provision requiring that the first \$1,000,000 of such allocation be paid in cash.

Effective December 14, 2016, Mr. Lynn executed a new amended and restated deed of adherence to the U.K. Partnership (the "New Lynn Deed"). The Compensation Committee approved the New Lynn Deed and a related letter agreement, dated December 14, 2016 (the "Lynn Letter Agreement"), providing for a grant to Mr. Lynn of 1,000,000 BGC Holdings NPSUs (the "Lynn 2016 NPSUs") and 3,500,000 BGC Holdings LPUs effective as of October 1, 2016 as described above.

The New Lynn Deed provides for substantially similar terms to the Old Lynn Deed, except that (i) the 52-week rolling notice period has been replaced with a fixed-term contract expiring March 31, 2023, with a 24-month advance rolling notice period; (ii) the term of the restrictive covenants in the Old Lynn Deed has been extended from 18 months to two years; (iii) the profit allocation payable to Mr. Lynn in the event of a termination due to illness or injury will be based on a pro rata portion of the profit allocation for the prior year; and (iv) the profit allocation payable in the event of the death of Mr. Lynn will be payable to his estate all in cash, with the Compensation Committee taking into consideration the portion of the year served and the profit allocation which might have paid to Mr. Lynn in the event that he had survived.

On August 14, 2020, Mr. Lynn executed a new Deed of Amendment which amended the New Lynn Deed (the "Amended Deed"). The Amended Deed amends the New Lynn Deed by, among other things, (i) stating that effective as of October 1, 2020, Mr. Lynn shall no longer be responsible for the day-to-day operations of the brokerage business of BGC; (ii) reducing the target allocation of profit for each financial period during the term of the Deed, effective October 1, 2020, from 300% to 100% of annualized allocation monthly advanced drawings (pro rata with respect to 2020); and (iii) adjusting the portion paid in cash and non-cash grants effective on the same date.

In the event of a change in control of the U.K. Partnership (which will occur if BGC Partners, Inc. is no longer controlled by Cantor or a person or entity controlled by, controlling or under common control with Cantor), the individual or entity that acquires control would have the option to either extend the term of Mr. Lynn's membership in the U.K. Partnership for a period of three years from the date the change in control took effect (if the remaining term of the New Lynn Deed at the time of the change in control is less than three years), or to terminate Mr. Lynn's membership. If the membership period is extended, Mr. Lynn will be entitled to receive an amount equal to his aggregate Profit Allocation under the New Lynn Deed for the most recent full Financial Period (the "Aggregate Profit Allocation Account"), in addition to any other profit allocation that he may be entitled to receive under the New





Lynn Deed. In addition, in the event that Mr. Lynn remains a member in the U.K. Partnership on the second anniversary of the change in control (unless he is not engaged on such date solely as a result of termination by the continuing company under circumstances that constitute a fundamental breach of contract by it) and has not materially breached the New Lynn Deed, Mr. Lynn will receive an additional payment of the Aggregate Profit Allocation Account. If Mr. Lynn's membership is terminated, he is entitled to receive two times his Aggregate Profit Allocation Amount under the New Lynn Deed for the most recent full financial period in full and final settlement of all claims. In each case, if applicable, he will receive full vesting and immediate exchangeability of all options, RSUs, restricted stock, LPUs, PLPUs and any other BGC Holdings partnership units (unless otherwise provided in the applicable award agreement and including any such awards or units issued to him in connection with or related to such change in control). He is also entitled to welfare benefit continuation for two years and a pro rata discretionary profits allocation for the year of termination. The New Lynn Deed also contains provisions with respect to suspension, consequences of removal, payments in the event of illness or disability and various restrictive covenants.

Also in the event of a change of control of the U.K. Partnership at any time while Mr. Lynn is providing substantial services to the Company or an affiliate thereof (the "Change of Control"), the Partnership shall grant exchangeable LPUs in replacement of any of the above Lynn 2016 NPSUs then held by Mr. Lynn, and any of such non-exchangeable BGC Holdings LPUs then held by Mr. Lynn shall become exchangeable for shares of the Company's Class A common stock as follows: (a) in a lump sum following (i) the third anniversary of the Change of Control if Mr. Lynn continuously provides substantial services (as an employee, member, partner, consultant, or otherwise) to the Company, any of the individual(s) or entity(ies) which acquire(s) control of the Company (the "Controller"), or any affiliate thereof for the three years after the Change of Control, or (ii) the date the Controller permanently terminates Mr. Lynn's services in all capacities to the Company, the Controller, and all affiliates thereof prior to the third anniversary of the Change of Control if the circumstances amount to a fundamental breach of contract by the Controller as determined by a court of competent jurisdiction, or (b) ratably on or about the first through third anniversaries following the Change of Control if the Controller permanently terminates Mr. Lynn's services in all capacities to the Company, the Controller, and all affiliates thereof prior to the third anniversary of the Change of Control unless (a)(ii) above applies. These rights are subject to compliance by Mr. Lynn with certain terms and conditions set forth in the applicable agreements, including not engaging in Competitive Activity (as such term is defined under the Partnership Agreement) at any time prior to the applicable grant of exchangeability. The grant of exchangeability with respect to such LPUs will be determined in accordance with the Company's practices when determining discretionary bonuses or awards, and any grants of exchangeability shall be subject to the approval of the Compensation Committee.

In addition, the Compensation Committee approved a separate consultancy agreement between Mr. Lynn and the U.K. Partnership, dated December 14, 2016, under which Mr. Lynn will be paid a fee of \$20,833.33 per month (\$250,000 per year) for his services, commencing upon the termination of his membership in the U.K. Partnership until the earlier of five years following such termination or such time as the U.K. Partnership chooses to terminate the engagement (the "Lynn Consultancy Agreement"). The Lynn Consultancy Agreement subjects Mr. Lynn to substantially the same two-year restrictive covenants as in the New Lynn Deed subsequent to his consultancy termination.

## 2021 CEO Pay Ratio

The following information contains the relationship of the median annual total compensation of employees and independent contractors and brokers of BGC and its subsidiaries to the annual total compensation of Mr. Lutnick, the Chief Executive Officer and Chairman of the Board of Directors.

For 2021, we determined a new median employee in accordance with SEC rules. Our median employee was a Production Support staff member in the United Kingdom.



We selected December 31, 2021 as the date used to identify our “median employee” whose annual total compensation was the median of the annual total compensation of all our applicable employees (other than our Chief Executive Officer) for 2021. Based on our internal records, our global employee population as of December 31, 2021 consisted of approximately 4,267 individuals, including full-time, part-time, and temporary employees, with approximately 28% of these employees working in the United States and approximately 72% working in our various non-U.S. locations consisting of Argentina, Australia, Bahrain, Brazil, Canada, Chile, Columbia, Denmark, France, Hong Kong, Ireland, Israel, Japan, Korea, People’s Republic of China, Philippines, Republic of Mexico, Russian Federation, Singapore, South Africa, Spain, Switzerland, Turkey, United Arab Emirates, and United Kingdom.

To identify the “median employee,” we aggregated actual base salary earnings or commission draw in 2021, overtime earnings paid in 2021 for employees eligible to earn overtime, bonus awards earned in 2021 and paid in the first quarter of 2022 and the grant date value of any equity awards granted in 2021. Bonus awards can consist of discretionary bonuses, forgivable loans, cash advance distribution agreements and promissory notes. We annualized the compensation of employees who began employment during the fiscal year. In addition, for any persons who provide services to Cantor and its affiliates (other than BGC Partners and its consolidated subsidiaries), the total compensation of such persons for purposes of calculating the pay ratio was consistent with the allocations used by the Company for financial accounting purposes in its 2021 consolidated financial statements. We then converted any compensation paid in foreign currency to U.S. dollars using the published rate for December 31, 2021 on <https://www.xe.com>. The sum of these amounts served as our “consistently applied compensation measure,” we used in identifying the median employee. We did not apply a cost of living adjustment to the data.

Once the median employee was identified, the pay ratio for the annual total compensation of the median employee to the CEO was calculated for the 2021 fiscal year in accordance with the requirements of Item 402(c)(2)(x) of Regulation S-K and the pay ratio was determined to be as follows:

- the annual total compensation of the median employee of the Company (other than the CEO) was \$125,232;
- the annual total compensation of the CEO, as reported in the Summary Compensation Table, was \$19,831,243; and
- the ratio of the annual total compensation of the CEO to the median employee of the Company was approximately 158 to 1.

### Compensation of Directors

Directors who are also our employees do not receive additional compensation for serving as director. The compensation schedule for our non-employee directors was as follows: the annual cash retainer is \$100,000, the annual stipend for the chair of our Compensation Committee is \$15,000, the annual stipend for the chair of our Audit Committee is \$25,000 and the annual stipend for the chair of our ESG Committee is \$15,000. We also pay \$2,000 for each meeting of our Board and \$1,000 for each meeting of a committee of our Board actually attended, whether in person or by telephone. Under our policy, none of our non-employee directors is paid more than \$3,000 in the aggregate for attendance at meetings held on the same date. Non-employee directors may also receive additional per diem fees for services as a director at the rate of \$1,000 per day, with a limit of \$5,000 per matter, for additional time spent on Board or Committee matters as directed from time to time by the Board, including interviewing candidates and participating in the Company’s diversity recruiting program initiatives. Non-employee directors also are reimbursed for all out-of-pocket expenses incurred in attending meetings of our Board or committees of our Board on which they serve.

In addition to the cash compensation described above, under our current policy, upon the appointment or initial election of a non-employee director, we grant to such non-employee director RSUs equal to the value of shares of our Class A common stock that could be purchased for \$70,000 at the closing price of our Class A common stock on the trading date of the appointment or initial election of the non-employee director (rounded down to the next whole share). These RSUs vest equally on each of the first two anniversaries of the grant date, provided that the non-employee director is a member of our Board at the opening of business on such dates.



Thereafter, we annually grant to each non-employee director RSUs equal to the value of shares of our Class A common stock that could be purchased for \$50,000 on the date of his or her re-election in consideration for services provided. These RSUs will vest equally on each of the first two anniversaries of the grant date, provided that the non-employee director is a member of our Board at the opening of business on such dates.

The table below summarizes the compensation paid to our non-employee directors for the year ended December 31, 2021:

(a) Name (1)	(b) Fees Earned or Paid in Cash (\$)	(c) Stock Awards \$(2)	(d) Option Awards \$(3)	(e) Non-Equity Incentive Plan Compensation (\$)	(f) Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	(g) All Other Compensation (\$)	(h) Total
Stephen T. Curwood, Director	250,000	50,000	—	—	—	—	300,000
William J. Moran, Director	260,000	50,000	—	—	—	—	310,000
Linda A. Bell, Director	246,250	50,000	—	—	—	—	296,250
David P. Richards, Director	235,000	50,000	—	—	—	—	285,000
Arthur U. Mbanefo Director	47,000	120,000	—	—	—	—	167,000

- (1) Howard W. Lutnick, our Chairman of the Board of Directors and Chief Executive Officer, is not included in this table as he is an employee of our Company and thus received no compensation for his services as director. The compensation received by Mr. Lutnick as an employee of our Company is shown in the Summary Compensation Table. Table includes compensation paid with respect to 2021, including payments for 2021 that were made in January 2022. Compensation for Arthur U. Mbanefo began on October 5, 2021 when he was elected to the Board.
- (2) Reflects the grant date fair value of RSUs granted on November 22, 2021 to each of Messrs. Curwood, Moran, Richards and Mbanefo and Dr. Bell. More information with respect to the calculation of these amounts is included in the footnotes to our consolidated financial statements included in Item 8 of our latest Annual Report on Form 10-K. In 2021, each of Messrs. Curwood, Moran, Richards and Mbanefo and Dr. Bell was granted 10,661 RSUs. As of December 31, 2021, Messrs. Curwood, Moran and Richards and Dr. Bell each had 19,372 RSUs outstanding, and Mr. Mbanefo had 23,482 RSUs outstanding.
- (3) No options were granted to non-employee directors in 2021. As of December 31, 2021, none of the non-employee directors had any options outstanding.



### **Compensation Committee Interlocks and Insider Participation**

During 2021, the Compensation Committee of our Board consisted of Dr. Bell and Messrs. Curwood, Moran, Richards (who was appointed to the Compensation Committee on April 7, 2021) and Mbanefo (who was appointed to the Compensation Committee on October 5, 2021). All the members who served on our Compensation Committee during 2021 were independent directors. No member of the Compensation Committee had any relationship with the Company during 2021 pursuant to which disclosure would be required under applicable SEC rules. With the exception of Mr. Lutnick, our Chief Executive Officer and Chairman of the Board of Directors, during 2021, none of our executive officers served as a member of the board of directors or the compensation committee, or similar body, of a corporation where any of its executive officers served on our Compensation Committee or on our Board. Mr. Lutnick serves on the board of directors of Newmark.





## SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information, as of October 31, 2022, with respect to the beneficial ownership of our Common Equity by: (i) each stockholder, or group of affiliated stockholders, that we know owns more than 5% of any class of our outstanding capital stock, (ii) each of our named executive officers, (iii) each of our directors and (iv) the executive officers and directors as a group. Unless otherwise indicated in the footnotes, the principal address of each of the stockholders, executive officers and directors identified below is located at 499 Park Avenue, New York, NY 10022. Shares of our Class B common stock are convertible into shares of our Class A common stock at any time in the discretion of the holder on a one-for-one basis. Accordingly, a holder of Class B common stock is deemed to be the beneficial owner of an equal number of shares of our Class A common stock for purposes of this table.

As of October 31, 2022, Cantor is obligated to distribute an aggregate of 15,756,625 shares of our Class A common stock consisting of (i) 13,999,105 shares to certain partners of Cantor to satisfy certain of Cantor's deferred stock distribution obligations provided to such partners on April 1, 2008 (the "April 2008 distribution rights shares"), and (ii) 1,757,520 shares to certain partners of Cantor to satisfy certain of Cantor's deferred stock distribution obligations provided to such partners on February 14, 2012 in connection with Cantor's payment of previous quarterly partnership distributions (the "February 2012 distribution rights shares" and, together with the April 2008 distribution rights shares, the "distribution rights shares"), all of which can be distributed within 60 days of October 31, 2022. Certain Cantor partners elected to receive their distribution rights shares and others elected to defer receipt of such shares until a future date. As a result, certain of these distribution rights shares are included both in the number of shares beneficially owned directly by Cantor, and indirectly by CFGM and Mr. Lutnick as a result of their control of Cantor, and in the number of shares beneficially owned directly by CFGM, Mr. Lutnick and the other recipients of distribution rights shares, resulting in substantial duplications in the number of shares set forth in the table below. Once Cantor delivers these 15,756,625 distribution rights shares, these shares will no longer be reflected as beneficially owned directly by Cantor and indirectly by CFGM and Mr. Lutnick as a result of their control of Cantor. Instead, beneficial ownership of the shares will only be reported by CFGM and Mr. Lutnick to the extent of their direct holdings of the shares, and Mr. Lutnick's indirect holdings as a result of his control of KBCR Management Partners, LLC ("KBCR"), LFA LLC ("LFA"), and a trust for the benefit of the descendants of Mr. Lutnick and his immediate family, of which Mr. Lutnick's wife is one of two trustees and Mr. Lutnick has limited powers to remove and replace such trustees (the "Trust"), and by the other recipients of the distribution rights shares.

Name:	Class B Common Stock		Class A Common Stock	
	Shares	%	Shares	%
<b>5% Beneficial Owners(1):</b>				
Cantor Fitzgerald, L.P.(2)	68,736,148(3)	98.9(4)	102,728,138(5)	24.1(6)
CF Group Management, Inc.	69,497,800(7)	100.0(4)	105,700,662(8)	24.6(9)
The Vanguard Group	—	—	29,795,094	9.2
BlackRock, Inc.	—	—	23,498,900	7.2
<b>Executive Officers and Directors(1):</b>				
<b>Executive Officers</b>				
Howard W. Lutnick	69,497,800(10)	100.0(4)	131,778,115(11)	29.7(12)
Stephen M. Merkel	—	—	137,629(13)	*
Sean A. Windeatt	—	—	—	*
Jason Hauf	—	—	—	*
<b>Directors</b>				
Stephen T. Curwood	—	—	62,331(14)	*
William J. Moran	—	—	96,345(15)	*
Linda A. Bell	—	—	38,597(16)	*
David P. Richards	—	—	44,292(17)	*
Arthur U. Mbanefo	—	—	11,742(18)	*
All executive officers and directors as a group (9 persons)	69,497,800	100.0	132,169,051	29.8(19)



\* Less than 1%.

- (1) Based upon information supplied by directors, executive officers and 5% beneficial owners in filings under Sections 13(d), 13(g), and 16(a) of the Exchange Act.
- (2) Cantor has pledged to a financial institution, pursuant to a Put and Pledge Agreement, dated as of July 21, 2017, 10,000,000 shares of our Class A common stock in connection with a loan program established for certain employees and partners of Cantor and its affiliates. On November 23, 2018, those Class A shares were converted into 10,000,000 shares of our Class B common stock and remain pledged in connection with the partner loan program.
- (3) Consists of (i) 45,122,728 shares of our Class B common stock held directly and (ii) 23,613,420 shares of our Class B common stock acquirable upon exchange of 23,613,420 BGC Holdings exchangeable limited partnership interests. These exchangeable limited partnership interests held by Cantor are exchangeable with us at any time for shares of our Class B common stock (or, at Cantor's option, or if there are no additional available shares of our Class B common stock, our Class A common stock) on a one-for-one basis (subject to customary anti-dilution adjustments).
- (4) Percentage based on (i) 45,884,380 shares of our Class B common stock outstanding as of October 31, 2022, and (ii) 23,613,420 shares of our Class B common stock acquirable upon exchange of 23,613,420 BGC Holdings exchangeable limited partnership interests held by Cantor.
- (5) Consists of (i) 45,122,728 shares of our Class A common stock acquirable upon conversion of 45,122,728 shares of our Class B common stock, and (ii) 57,605,410 shares of our Class A common stock acquirable upon exchange of 57,605,410 BGC Holdings exchangeable limited partnership interests. These amounts include an aggregate of 15,756,625 distribution rights shares consisting of (A) 13,999,105 April 2008 distribution rights shares and (B) 1,757,520 February 2012 distribution rights shares, which may generally be issued to certain Cantor partners upon request, or are scheduled to be distributed within 60 days of October 31, 2022.
- (6) Percentage based on (i) 324,299,600 shares of our Class A common stock outstanding as of October 31, 2022, (ii) 45,122,728 shares of our Class A common stock acquirable upon conversion of 45,122,728 shares of our Class B common stock, and (iii) 57,605,410 shares of our Class A common stock acquirable upon exchange of 57,605,410 BGC Holdings exchangeable limited partnership interests.
- (7) Consists of (i) 761,652 shares of our Class B common stock held by CFGM, (ii) 45,122,728 shares of our Class B common stock held by Cantor, and (iii) 23,613,420 shares of our Class B common stock acquirable upon exchange by Cantor of 23,613,420 BGC Holdings exchangeable limited partnership interests. CFGM is the managing general partner of Cantor.
- (8) Consists of (i) 761,652 shares of our Class A common stock acquirable upon conversion of 761,652 shares of our Class B common stock held by CFGM, (ii) 2,050,197 April 2008 distribution rights shares receivable by CFGM, receipt of which has been deferred, (iii) 160,675 February 2012 distribution rights shares receivable by CFGM, receipt of which has been deferred, (iv) 45,122,728 shares of our Class A common stock acquirable upon conversion of 45,122,728 shares of our Class B common stock held by Cantor, and (v) 57,605,410 shares of our Class A common stock acquirable upon exchange of 57,605,410 BGC Holdings exchangeable limited partnership interests held by Cantor. These amounts include an aggregate of 15,756,625 distribution rights shares consisting of (A) 13,999,105 April 2008 distribution rights shares and (B) 1,757,520 February 2012 distribution rights shares, which may generally be issued to certain Cantor partners upon request, or are scheduled to be distributed within 60 days of October 31, 2022.
- (9) Percentage based on (i) 324,299,600 shares of our Class A common stock outstanding as of October 31, 2022, (ii) 45,122,728 shares of our Class A common stock acquirable upon conversion of 45,122,728 shares of our Class B common stock held by Cantor, (iii) 761,652 shares of our Class A common stock acquirable upon conversion of 761,652 shares of our Class B common stock held by CFGM, (iv) 57,605,410 shares of our Class A common stock acquirable upon exchange of 57,605,410 BGC Holdings exchangeable limited partnership interests held by Cantor, (v) 2,050,197 April 2008 distribution rights shares



receivable by CFGM, receipt of which has been deferred, and (vi) 160,675 February 2012 distribution rights shares receivable by CFGM, receipt of which has been deferred.

- (10) Consists of (i) 761,652 shares of our Class B common stock held by CFGM, (ii) 45,122,728 shares of our Class B common stock held by Cantor, and (iii) 23,613,420 shares of our Class B common stock acquirable upon exchange by Cantor of 23,613,420 BGC Holdings exchangeable limited partnership interests. Mr. Lutnick is the Chairman and Chief Executive Officer of CFGM and also the trustee of an entity that is the sole shareholder of CFGM. CFGM is the managing general partner of Cantor.
- (11) Mr. Lutnick's holdings consist of:
- (i) 5,033,338 shares of our Class A common stock held directly;
  - (ii) 605,193 shares of our Class A common stock held in Mr. Lutnick's 401(k) account;
  - (iii) 6,174,810 shares of our Class A common stock held in various trust, retirement and custodial accounts consisting of (A) 4,514,349 shares held in Mr. Lutnick's personal asset trust, of which he is the sole trustee, (B) 778,525 shares held by the Trust, (C) 287,226 shares held in a Keogh retirement account for Mr. Lutnick, (D) 539,270 shares held by trust accounts for the benefit of Mr. Lutnick and members of his immediate family, (E) 34,227 shares held in other retirement accounts, (F) 20,192 shares held in custodial accounts for the benefit of certain members of Mr. Lutnick's family under the Uniform Gifts to Minors Act, and (G) 1,021 shares held in other retirement accounts for the benefit of Mr. Lutnick's spouse;
  - (iv) 761,652 shares of our Class A common stock acquirable upon conversion of 761,652 shares of our Class B common stock held by CFGM;
  - (v) 45,122,728 shares of our Class A common stock acquirable upon conversion of 45,122,728 shares of our Class B common stock held by Cantor;
  - (vi) 57,605,410 shares of our Class A common stock acquirable upon exchange of 57,605,410 BGC Holdings exchangeable limited partnership interests held by Cantor;
  - (vii) 7,742,325 April 2008 distribution rights shares receivable by Mr. Lutnick, receipt of which has been deferred;
  - (viii) 1,231,396 February 2012 distribution rights shares receivable by Mr. Lutnick, receipt of which has been deferred;
  - (ix) 2,050,197 April 2008 distribution rights shares receivable by CFGM, receipt of which has been deferred;
  - (x) 160,675 February 2012 distribution rights shares receivable by CFGM, receipt of which has been deferred;
  - (xi) 1,610,182 April 2008 distribution rights shares receivable by the Trust, receipt of which has been deferred;
  - (xii) 2,048,000 April 2008 distribution rights shares receivable by KBCR, by virtue of Mr. Lutnick being the managing member of KBCR, which is a non-managing General Partner of Cantor, receipt of which has been deferred;
  - (xiii) 287,967 February 2012 distribution rights shares receivable by KBCR, receipt of which has been deferred;
  - (xiv) 161,842 April 2008 distribution rights shares receivable by LFA, receipt of which has been deferred;
  - (xv) 16,193 February 2012 distribution rights shares receivable by LFA, receipt of which has been deferred;
  - (xvi) 600,938 shares of our Class A common stock owned of record by KBCR;
  - (xvii) 44,889 shares of our Class A common stock owned of record by LFA; and
  - (xviii) 520,380 shares of our Class A common stock acquirable upon exchange of 520,380 BGC Holdings exchangeable limited partnership units held by Mr. Lutnick.



These amounts include an aggregate of 15,756,625 distribution rights shares consisting of (A) 13,999,105 April 2008 distribution rights shares and (B) 1,757,520 February 2012 distribution rights shares, which may generally be issued to certain Cantor partners upon request.

- (12) Percentage based on (i) 324,299,600 shares of our Class A common stock outstanding as of October 31, 2022, (ii) 45,122,728 shares of our Class A common stock acquirable upon conversion of 45,122,728 shares of our Class B common stock held by Cantor, (iii) 761,652 shares of our Class A common stock acquirable upon conversion of 761,652 shares of our Class B common stock held by CFGM, (iv) 57,605,410 shares of our Class A common stock acquirable upon exchange of 57,605,410 BGC Holdings exchangeable limited partnership interests held by Cantor, (v) 7,742,325 April 2008 distribution rights shares receivable by Mr. Lutnick, receipt of which has been deferred; (vi) 1,231,396 February 2012 distribution rights shares receivable by Mr. Lutnick, receipt of which has been deferred; (vii) 2,050,197 April 2008 distribution rights shares receivable by CFGM, receipt of which has been deferred, (viii) 160,675 February 2012 distribution rights shares receivable by CFGM, receipt of which has been deferred, (ix) 1,610,182 April 2008 distribution rights shares receivable by the Trust, receipt of which has been deferred, (x) 2,048,000 April 2008 distribution rights shares receivable by KBCR, receipt of which has been deferred, (xi) 287,967 February 2012 distribution rights shares receivable by KBCR, receipt of which has been deferred, (xii) 161,842 April 2008 distribution rights shares receivable by LFA, receipt of which has been deferred, (xiii) 16,193 February 2012 distribution rights shares receivable by LFA, receipt of which has been deferred, and (xiv) 520,380 shares of our Class A common stock acquirable upon exchange of 520,380 BGC Holdings exchangeable limited partnership units held by Mr. Lutnick.
- (13) Mr. Merkel's holdings consist of (i) 90,366 shares of our Class A common stock held directly; (ii) 41,005 shares of our Class A common stock held in Mr. Merkel's 401(k) account and (iii) 6,258 shares of our Class A common stock held in trusts for the benefit of Mr. Merkel's immediate family, of which Mr. Merkel's spouse is the sole trustee.
- (14) Mr. Curwood's holdings consist of 57,000 shares of our Class A common stock held directly, and 5,331 shares of our Class A common stock receivable pursuant to 5,331 RSUs held directly.
- (15) Mr. Moran's holdings consist of 91,014 shares of our Class A common stock held directly, and 5,331 shares of our Class A common stock receivable pursuant to 5,331 RSUs held directly.
- (16) Ms. Bell's holdings consist of 33,266 shares of our Class A common stock held directly, and 5,331 shares of our Class A common stock receivable pursuant to 5,331 RSUs held directly.
- (17) Mr. Richards' holdings consist of 38,961 shares of our Class A common stock held directly, and 5,331 shares of our Class A common stock receivable pursuant to 5,331 RSUs held directly.
- (18) Mr. Mbanefo's holdings consist of 6,411 shares of our Class A common stock held directly, and 5,331 shares of our Class A common stock receivable pursuant to 5,331 RSUs held directly.
- (19) Percentage based on (i) 324,299,600 shares of our Class A common stock outstanding, (ii) 45,122,728 shares of our Class A common stock acquirable upon conversion of 45,122,728 shares of our Class B common stock held by Cantor, (iii) 761,652 shares of our Class A common stock acquirable upon conversion of 761,652 shares of our Class B common stock held by CFGM, (iv) 57,605,410 shares of our Class A common stock acquirable upon exchange of 57,605,410 BGC Holdings exchangeable limited partnership interests held by Cantor, (v) 15,756,625 distribution rights shares, receipt of which has been deferred, (vi) 520,380 shares of our Class A common stock acquirable upon exchange of 520,380 BGC Holdings exchangeable limited partnership units held by Mr. Lutnick, (vii) 5,331 shares of our Class A common stock receivable pursuant to 5,331 RSUs held directly by Ms. Bell, (viii) 5,331 shares of our Class A common stock receivable pursuant to 5,331 RSUs held directly by Mr. Curwood, (ix) 5,331 shares of our Class A common stock receivable pursuant to 5,331 RSUs held directly by Mr. Mbanefo, (x) 5,331 shares of our Class A common stock receivable pursuant to 5,331 RSUs held directly by Mr. Moran, and (xi) 5,331 shares of our Class A common stock receivable pursuant to 5,331 RSUs held directly by Mr. Richards.



**Equity Compensation Plan Information as of December 31, 2021**

	Number of securities to be issued upon exercise of outstanding restricted stock units, options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity Plan (approved by security holders)	13,335,623	\$ 4.01	164,486,382
Equity compensation plans not approved by security holders	—	—	—
Total	13,335,623	\$ 4.01	164,486,382



## REPORT OF THE AUDIT COMMITTEE OF OUR BOARD OF DIRECTORS

The Audit Committee of the Board of Directors is made up solely of independent directors, as defined under applicable Nasdaq Stock Market and SEC rules, and it operates under a written Charter adopted by the Board and the Committee. The composition of the Committee, the attributes of its members and its responsibilities, as reflected in its Charter, are intended to be in accordance with applicable requirements for corporate audit committees. The Committee reviews and assesses the adequacy of its Charter on an annual basis. A copy of the Audit Committee Charter is available on the company's website at <https://www.bgcpartners.com/esg/governance> under the heading "Independent Audit Committee," or upon written request from the Company free of charge.

As described more fully in its Charter, the primary function of the Audit Committee is to assist the Board of Directors in its general oversight of the Company's financial reporting, internal control over financial reporting and audit process. Management is responsible for the preparation, presentation and integrity of the Company's financial statements; accounting and financial reporting principles; internal control over financial reporting; and procedures designed to ensure compliance with accounting standards, applicable laws and regulations. The Company's independent registered public accounting firm (the "Auditors") is responsible for performing an independent audit of the Company's annual consolidated financial statements, and a review of its quarterly consolidated financial statements, in accordance with the standards of the Public Company Accounting Oversight Board (the "PCAOB"), and an independent audit of the Company's internal control over financial reporting and on the effectiveness of such control.

The Audit Committee has the sole authority to appoint or replace the Auditors and is directly responsible for the oversight of the scope of the Auditors' role and the determination of its compensation.

Although each of Messrs. Moran, Richards and Mbanefo has experience that qualifies him as an audit committee financial expert, none of the Audit Committee members are currently professional accountants or auditors, and their functions are not intended to duplicate or to certify the activities of management and the Auditors, nor can the Committee certify that the Auditors are "independent" under applicable rules. The Committee serves a board-level oversight role, in which it provides advice, counsel and direction to management and the Auditors on the basis of the information it receives, discussions with management and the Auditors, and the experience of the Committee's members in business, financial and accounting matters.

The Audit Committee has an annual agenda that includes reviewing the Company's financial statements, internal control and audit matters as well as related party transactions. The Committee meets each quarter with management and the Auditors to review the Company's interim financial results before the publication of the Company's quarterly financial results press releases, and periodically in executive sessions. Management's and the Auditors' presentations to and discussions with the Committee cover various topics and events that may have significant financial impact and/or are the subject of discussions between management and the Auditors.

In accordance with Audit Committee policy and the requirements of law, all services to be provided by the Auditors and their affiliates are subject to pre-approval by the Committee. This includes audit services, audit-related services, and any tax services and other services. In addition, the Committee regularly evaluates the performance and independence of the Auditors. Accordingly, the Committee has reviewed and pre-approved all services provided by Ernst & Young subsequent to the firm's engagement in 2008. The audit committee of Newmark separately reviewed and pre-approved all services provided by Ernst & Young pursuant to the firm's engagement by Newmark.

In fulfilling its responsibilities, the Audit Committee has met and held discussions with management and Ernst & Young regarding the fair and complete presentation of the Company's financial results. The Committee has discussed significant accounting



policies applied by the Company in its financial statements, as well as alternative treatments. The Committee has met to review and discuss the Company's annual audited and quarterly consolidated financial statements for the fiscal year ended December 31, 2021 (including the disclosures contained in the Company's Annual Report on Form 10-K filed with the SEC under the heading "Item 8 – Financial Statements and Supplementary Data" and Quarterly Reports on Form 10-Q filed with the SEC under the heading "Item 1 – Financial Statements (unaudited)") with management and Ernst & Young. The Committee also reviewed and discussed with management, the internal auditors and Ernst & Young the Company's compliance with Section 404 of the Sarbanes-Oxley Act, namely, management's annual report on the Company's internal control over financial reporting.

The Audit Committee has discussed with Ernst & Young the matters required to be discussed by Statement on Auditing Standards No. 61, "*Communication with Audit Committees*" (Codification of Statement on Auditing Standards, AU §380), as modified or supplemented. In addition, the Audit Committee has received and reviewed the written disclosures and the letter from Ernst & Young required by applicable requirements of the PCAOB regarding the communications of Ernst & Young with the Audit Committee concerning independence and has discussed with Ernst & Young the firm's independence from the Company and management, including all relationships between the firm and the Company. The Audit Committee also has considered whether the provision of permitted non-audit services by Ernst & Young is compatible with maintaining the firm's independence.

In reliance on the reviews and discussions referred to above, the Audit Committee recommended to the Board of Directors, and the Board approved, the inclusion of the audited financial statements of the Company in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on February 28, 2022.

Dated: December 1, 2022

THE AUDIT COMMITTEE

Arthur U. Mbanefo, Chair  
William J. Moran  
Stephen T. Curwood  
Linda A. Bell  
David P. Richards



### INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FEES

The following table sets forth the aggregate fees incurred by us for audit and other services rendered by Ernst & Young during the years ended December 31, 2021 and 2020:

	Year Ended December 31,	
	2021	2020
Audit fees	\$ 8,653,282	\$ 9,286,774
Audit-related fees	96,500	138,000
Tax fees	3,290,068	3,024,904
All other fees	—	—
Total	\$12,039,850	\$12,449,678

“Audit-related fees” are fees for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements and internal control over financial reporting, including audit fees for the Company’s employee benefit plan. “Tax fees” are fees for tax compliance, tax advice and tax planning, and “all other fees” are fees for any services not included in the other categories.

### AUDIT COMMITTEE’S PRE-APPROVAL POLICIES AND PROCEDURES

During 2021, our Audit Committee specifically approved the appointment of Ernst & Young to be our independent auditors for the year ended December 31, 2021. Ernst & Young was also approved to perform reviews of our quarterly financial reports within the year ended December 31, 2021 and certain other audit- related services such as accounting consultations. Pursuant to our Audit Committee Charter, the Audit Committee will pre-approve auditing services, internal control-related services and permitted non-audit services to be performed for us by our independent auditors, as set forth in the Audit Committee Charter.



**PROPOSAL 2— RATIFICATION OF APPOINTMENT OF OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

The Audit Committee has approved the appointment of Ernst & Young as our independent registered public accounting firm for fiscal year ending December 31, 2022. We are asking stockholders to ratify the appointment of Ernst & Young as our independent registered public accounting firm at the Annual Meeting. Representatives of Ernst & Young are expected to participate in the Annual Meeting. They will have the opportunity to make a statement if they desire to do so and are expected to be available to respond to appropriate questions.

Our Bylaws do not require that the stockholders ratify the appointment of Ernst & Young as our independent auditors for fiscal year 2022. However, we are submitting the appointment of Ernst & Young to the stockholders for ratification as a matter of good corporate practice. If the stockholders do not ratify the appointment, the Board and the Audit Committee will re consider the appointment. Even if the appointment of Ernst & Young is ratified, the Audit Committee retains the discretion to appoint a different independent auditor at any time if it determines that such a change is in the best interests of the Company and its stockholders. At this time, the Board and the Audit Committee believe that the continued retention of Ernst & Young to serve as our independent auditors is in the best interest of the Company and its stockholders.

**VOTE REQUIRED FOR APPROVAL**

The affirmative vote of the holders of a majority of the Total Voting Power present in person or represented by proxy at the Annual Meeting and entitled to vote is required to approve this proposal to ratify the appointment of Ernst & Young. Abstentions will have the same effect as a vote against the proposal.

**RECOMMENDATION OF OUR BOARD OF DIRECTORS AND AUDIT COMMITTEE**

**OUR BOARD OF DIRECTORS AND AUDIT COMMITTEE RECOMMEND THAT ALL  
STOCKHOLDERS VOTE “FOR”**

**THE RATIFICATION OF ERNST & YOUNG AS OUR INDEPENDENT REGISTERED PUBLIC  
ACCOUNTING FIRM FOR FISCAL YEAR 2022.**



### **PROPOSAL 3—APPROVAL OF AN ADVISORY VOTE ON EXECUTIVE COMPENSATION**

The Board is committed to sound compensation governance and recognizes the interest of stockholders in executive compensation matters. On an annual basis, we provide our stockholders with an opportunity to cast an advisory vote to approve the compensation of our named executive officers, as disclosed in the Compensation Discussion and Analysis, compensation tables and narratives of this Proxy Statement.

This stockholder advisory vote will not be binding on the Company, the Board, or the Compensation Committee. Nevertheless, the Board and the Compensation Committee will take into account the outcome of the stockholder advisory vote when making future executive compensation decisions.

As discussed in our Compensation Discussion and Analysis, our executive compensation program, which is under the direction and control of our Compensation Committee, is designed to integrate our executive compensation with the achievement of our short- term and long-term business objectives and to assist us in attracting, motivating and retaining the highest quality executive officers and rewarding them for superior performance. Different components of our executive compensation program are geared to short-term and longer- term performance, with the goal of increasing stockholder value over the long term.

We believe that the compensation of our executive officers should reflect their success in attaining key corporate objectives, such as growth or maintenance of market position, success in attracting and retaining qualified brokers and other professionals, increasing or maintaining revenues and/or profitability, developing new products and marketplaces, completing acquisitions, dispositions, restructurings, and other value-enhancing transactions and integrating any such transactions, as applicable, meeting established goals for operating earnings, earnings per share and increasing the total return for stockholders, including stock price and dividend increases, and maintaining and developing customer relationships and long-term competitive advantage. We also believe that executive compensation should reflect achievement of individual managerial objectives established for specific executive officers at the beginning of the fiscal year as well as reflect specific achievements by such individuals over the course of the year. We further believe that specific significant events led by executives, including acquisitions, dispositions and other significant transactions, should be given significant weight. We believe that the performance of our executives in managing our Company, considered in light of general economic and specific Company, industry and competitive conditions, should be the basis for determining their overall compensation.

We also believe that the compensation of our executive officers should not generally be based on the short- term performance of our Class A common stock, whether favorable or unfavorable, but rather that the price of our stock will, in the long term, reflect our overall performance and, ultimately, the management of our Company by our executives. We believe that the long-term performance of our stock is reflected in executive compensation through the grant of awards, including limited partnership units and related exchange rights and cash settlement awards, restricted stock, restricted stock units, and other equity and partnership awards.

Stockholders are encouraged to read our Compensation Discussion and Analysis in this Proxy Statement for more detailed information about our executive compensation program and how it reflects our philosophy and is linked to our performance. The non- binding stockholder advisory vote on executive compensation is not intended to address any specific component of our executive compensation program; rather, the vote relates to the overall compensation of our named executive officers, as described in this Proxy Statement in accordance with the compensation disclosure rules of the SEC.

We will ask our stockholders to approve the following resolution at the Annual Meeting:

**RESOLVED**, that the Company's stockholders approve, on an advisory basis, the compensation paid to the Company's named executive officers, as disclosed in the Company's Proxy Statement for the 2022 Annual Meeting of Stockholders pursuant to Item 402 of Regulation S-K, including the Compensation Discussion and Analysis, compensation tables and narratives.



### **VOTE REQUIRED FOR APPROVAL**

The affirmative vote of the holders of a majority of the Total Voting Power present in person or represented by proxy at the Annual Meeting and entitled to vote is required to approve the resolution. Abstentions will have the same effect as a vote against the proposal, but broker non-votes will have no effect on the vote. However, the stockholder vote on executive compensation is advisory and, therefore, not binding on the Company, the Board of Directors, or the Compensation Committee. Nevertheless, the Board and the Committee will take into account the outcome of the stockholder advisory vote when making future executive compensation decisions.

### **RECOMMENDATION OF OUR BOARD OF DIRECTORS AND COMPENSATION COMMITTEE**

**OUR BOARD OF DIRECTORS AND COMPENSATION COMMITTEE RECOMMEND THAT ALL STOCKHOLDERS VOTE “FOR” THE  
APPROVAL OF THE RESOLUTION.**



## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

### Review, Approval and Ratification of Transactions with Related Persons

The general policy of our Company and our Audit Committee is that all material transactions with a related party, including transactions with Cantor or Newmark, the relationship between us and Cantor or Newmark and agreements with related parties, as well as all material transactions in which there is an actual, or in some cases, perceived, conflict of interest, including repurchases of Class A common stock or purchases of BGC Holdings limited partnership interests or other equity interests in our subsidiaries, including from Cantor or our executive officers (see “—Stock and Unit Repurchase and Redemption Program”), are subject to prior review and approval by our Audit Committee, which will determine whether such transactions or proposals are fair and reasonable to our stockholders. In general, potential related party transactions are identified by our management and discussed with the Audit Committee at Audit Committee meetings. Detailed proposals, including, where applicable, financial and legal analyses, alternatives and management recommendations, are provided to the Audit Committee with respect to each issue under consideration and decisions are made by the Audit Committee with respect to the foregoing related-party transactions after opportunity for discussion and review of materials. When applicable, the Audit Committee requests further information and, from time to time, requests guidance or confirmation from internal or external counsel or auditors. Our policies and procedures regarding related party transactions are set forth in our Audit Committee Charter and Code of Business Conduct and Ethics, both of which are publicly available on our website at <https://www.bgcpartners.com/esg/governance/> under the headings “Independent Audit Committee” and “Code of Business Conduct and Ethics and Professional Integrity,” respectively. Related party transactions with Newmark are also reviewed by the Newmark board and its audit committee under their own policies.

### Corporate Conversion

As previously announced, on November 15, 2022 we and BGC Holdings, along with certain other entities set forth below, entered into the Corporate Conversion Agreement in order to reorganize and simplify our organizational structure. Upon completion of the Corporate Conversion Transactions, the stockholders of BGC Partners and the limited partners of BGC Holdings will participate in the economics of the BGC businesses through the same publicly traded corporate entity, BGC Group. By simplifying the organizational structure, the Corporate Conversion Transactions are intended to improve transparency and reduce operational complexity.

The Corporate Conversion Agreement and the Corporate Conversion Transactions are subject to the approval of our stockholders, and we will solicit the consents of our stockholders for such approval. Following the execution of the Corporate Conversion Agreement, Cantor entered into a Support Agreement with us (the “Support Agreement”), pursuant to which, among other things, and subject to the terms and conditions of the Support Agreement, Cantor agreed to deliver to us a written consent approving and adopting the Corporate Conversion Agreement and the Corporate Conversion Transactions within two business days following the date on which BGC Group’s Registration Statement on Form S-4 filed in connection with the Corporate Conversion Transactions is declared effective by the SEC, with such consent to be effective on the 20th business day following the date on which we commence mailing of the related consent solicitation statement to our stockholders. The Support Agreement terminates upon certain events, including the termination of the Corporate Conversion Agreement in accordance with its terms.

We and our directors and executive officers may be deemed to be participants in the solicitation of consents from our stockholders in connection with the Corporate Conversion Transactions. Information regarding such participants can be found in this Proxy Statement, and additional information regarding such participants and their interests in the solicitation regarding the Corporate Conversion Transactions will be set forth in our definitive consent solicitation statement and related materials to be filed with the SEC in connection with our solicitation of consents from our stockholders for the approval of the Corporate Conversion Transactions.





Under the existing structure, we and BGC Holdings—which is currently a consolidated subsidiary of ours for accounting purposes – currently hold, directly or indirectly and on a combined basis, 100% of the limited partnership interests in BGC U.S. OpCo and BGC Global OpCo (together with U.S. BGC OpCo, the “OpCos”), which are the two operating partnerships of BGC. The limited partners of BGC Holdings, in their capacities as such, currently participate in the economics of the OpCos through BGC Holdings, and the stockholders of BGC Partners, in their capacities as such, currently participate in the economics of the OpCos through BGC Partners. This structure is sometimes referred to as an Up-C.

When the Corporate Conversion Transactions are completed, the limited partners of BGC Holdings will cease participating in the economics of the OpCos indirectly through BGC Holdings and instead will participate in the economics of the OpCos indirectly through BGC Group. Our stockholders will also participate in the economics of the OpCos indirectly through BGC Group. BGC Group will have Class A common stock and Class B common stock with terms that are substantially similar to our existing Class A common stock and Class B common stock, respectively, and the Class A common stock of BGC Group is expected to be listed on the Nasdaq Global Select Market under the symbol “BGC.” The Corporate Conversion Transactions would therefore have the effect of transforming the BGC entities from an Up-C to a simplified “Full C-Corporation” structure.

The Corporate Conversion Transactions are being effected pursuant to the terms of the Corporate Conversion Agreement by and among us, BGC Holdings, BGC Group, BGC GP, LLC, a Delaware limited liability company and general partner of BGC Holdings (“BGC Holdings GP”), BGC Partners II, Inc., a Delaware corporation and wholly owned subsidiary of BGC Group (“Merger Sub 1”), BGC Partners II, LLC, a Delaware limited liability company and wholly owned subsidiary of BGC Group (“Merger Sub 2”), BGC Holdings Merger Sub, LLC, a Delaware limited liability company and wholly owned subsidiary of BGC Holdings (“Holdings Merger Sub”), and, solely for the purposes of certain provisions therein, Cantor. The Corporate Conversion Agreement has been approved by our Board of Directors, at the recommendation of the Joint Committee. The Joint Committee has been advised by independent financial and legal advisors selected by the Joint Committee. Houlihan Lokey, Inc., as financial advisor, has provided a fairness opinion to the Joint Committee.

The Corporate Conversion Agreement provides that, on the terms and subject to the conditions set forth in the Corporate Conversion Agreement:

- BGC Holdings will effectively reorganize from a Delaware limited partnership into a Delaware limited liability company through the merger of BGC Holdings with and into Holdings Merger Sub (the “Holdings Reorganization Merger”), with Holdings Merger Sub surviving the Holdings Reorganization Merger. In the Holdings Reorganization Merger, each unit of BGC Holdings outstanding as of immediately prior to the Holdings Reorganization Merger will be converted into a substantially equivalent equity interest in Holdings Merger Sub.
- Thereafter, Merger Sub 1 will merge with and into us (the “Corporate Merger”), and we will survive the Corporate Merger as a wholly owned subsidiary of BGC Group. In the Corporate Merger, each share of our Class A Common Stock and each share of our Class B Common Stock outstanding at the effective time of the Corporate Merger will be converted into one share of Class A common stock, par value \$0.01 per share, of BGC Group (“BGC Group Class A common stock”), and one share of Class B common stock, par value \$0.01 per share (“BGC Group Class B common stock”), of BGC Group, respectively.
- Concurrently with the Corporate Merger, Merger Sub 2 will merge with and into Holdings Merger Sub (the “Holdings Merger,” and together with the Holdings Reorganization Merger and the Corporate Merger, the “Mergers”), with Holdings Merger Sub surviving as a wholly owned subsidiary of BGC Group. In the Holdings Merger:
  - each exchangeable share of Holdings Merger Sub (which was issued in respect of each exchangeable limited partnership unit of BGC Holdings in the Holdings Reorganization Merger) that is held by Cantor or its subsidiaries and



is outstanding at the effective time of the Holdings Merger will be converted into one share of BGC Group Class B common stock, subject to the terms and conditions of the Corporate Conversion Agreement, provided that a portion of the shares of BGC Group Class B common stock issued to Cantor will exchange into BGC Group Class A common stock in the event that BGC Group does not issue at least \$75,000,000 in BGC Group common stock in connection with certain acquisition transactions prior to the seventh anniversary of the closing of the Holdings Merger;

- each exchangeable share of Holdings Merger Sub (which was issued in respect of each exchangeable limited partnership unit of BGC Holdings in the Holdings Reorganization Merger) that is not held by Cantor or any of its subsidiaries and is outstanding at the effective time of the Holdings Merger will be converted into one share of BGC Group Class A common stock; and
- each non-exchangeable share of Holdings Merger Sub (which was issued in respect of each non-exchangeable limited partnership unit of BGC Holdings in the Holdings Reorganization Merger) that is outstanding at the effective time of the Holdings Merger will, subject to certain limited exceptions, be converted into equity awards denominated in cash, restricted stock and/or RSUs of BGC Group, each as further set forth in the Corporate Conversion Agreement.

The obligation of the parties to complete the Corporate Conversion Transactions is subject to customary closing conditions, which are expected to be met. The Corporate Conversion Agreement contains certain termination rights, including, among others, the right of the parties to terminate the Corporate Conversion Agreement if the Mergers have not been consummated on or prior to May 15, 2023, and the right of Cantor or us to terminate the Corporate Conversion Agreement if certain tax legislation is proposed or enacted that, if implemented, could materially increase the taxes directly borne by the partners of Cantor or BGC Holdings or our stockholders if the Corporate Conversion Transactions were completed as compared to if the Corporate Conversion Transactions were not completed.

## **The 2008 Merger and the Merger Agreement**

### ***The Merger***

BGC Partners, Inc. was created as a result of the April 1, 2008 merger with eSpeed and the issuance of stock and limited partnership units in that transaction and the entry into a separation agreement setting forth the rights, obligations and liabilities of the parties related to the transferred businesses (the “BGC separation agreement”).

### ***License***

We entered into a license agreement with Cantor on April 1, 2008 with respect to a non-exclusive, perpetual, irrevocable, worldwide, non-transferable and royalty-free license to all software, technology and intellectual property in connection with the operation of Cantor’s business.

The license is not transferable except to any purchaser of all or substantially all of the business or assets of Cantor or its subsidiaries or to any purchaser of 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 that (a) such purchaser agrees not 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, (b) we are a third-party beneficiary of the transferee’s agreement in clause (a) above and (c) Cantor enforces its rights against the purchaser to the extent that it breaches its obligations under clause (a) above). Cantor has granted to us a non-exclusive, perpetual, irrevocable, worldwide, non-transferable and royalty free license to all intellectual property used in connection with our business operations. The license is not transferable except to a purchaser of all or



substantially all of our business or assets or business, division or subsidiaries pursuant to a bona fide acquisition of our line of business. Cantor also agreed that it will not use or grant any aspect of the license to create a fully electronic brokerage system that competes with our fully electronic systems for U.S. Treasuries and foreign exchange.

#### ***Corporate Governance Matters***

Until six months after Cantor ceases to hold 5% of our voting power, transactions or arrangements between us and Cantor will be subject to prior approval by a majority of the members of our Board who have been found to qualify as “independent” in accordance with the published listing requirements of Nasdaq. See “—Potential Conflicts of Interest and Competition Among Cantor, BGC and Newmark.”

During the same timeframe, we and Cantor also agreed not to employ or engage any officer or employee of the other party without the other party’s written consent. However, either party may employ or engage any person who responds to a general solicitation for employment. Cantor may also hire any of our employees 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, unless such hiring precludes us from maintaining and developing our intellectual property in a manner consistent with past practice. Cantor provides an updated list of such persons to us promptly as necessary.

#### ***Continuing Interests in Cantor***

The founding partners and other limited partners of Cantor, including Messrs. Lutnick, Lynn, Merkel and Windeatt, received distribution rights in connection with the separation of the BGC businesses from Cantor prior to the merger (the “BGC separation”). The distribution rights of founding partners, including Messrs. Lynn and Windeatt, entitled the holder to receive a fixed number of shares of BGC Partners Class A common stock, with one-third of such shares distributable on each of the first, second and third anniversaries of the merger. The distribution rights of the retained partners in Cantor who did not become founding partners, including Messrs. Lutnick and Merkel, generally entitled the holder to receive a distribution of a fixed number of shares of BGC Partners common stock over a two or three year period following the merger, depending on the holding period of units in respect of which the distribution rights were received.

Cantor offered to retained partners the opportunity to elect to defer their receipt of such distribution rights shares and receive a distribution equivalent from Cantor rather than receiving an immediate distribution of such shares. Retained partners who elected to defer their right to receive such shares are entitled to receive their shares upon written notice to Cantor. Such shares will be delivered to such partners on such subsequent dates after receipt of such notice as shall be determined by Cantor in its administrative discretion, and Cantor shall have a right to defer such distributions for up to three months, although Cantor generally makes such distributions on a quarterly basis to such partners.

As of September 30, 2022, the aggregate number of remaining April 2008 distribution rights shares and February 2012 distribution rights shares that Cantor is obligated to distribute to retained and founding partners is 13,999,105 shares and 1,757,520 shares, respectively, of our Class A common stock.

#### ***Commissions; Market Data; Clearing***

Pursuant to the BGC separation agreement, Cantor has a right, subject to certain conditions, to be our customer and to pay the lowest commissions paid by any other customer, whether by volume, dollar or other applicable measure. This right will terminate upon the earlier of a change of control of Cantor and the last day of the calendar quarter during which Cantor represents one of our 15



largest customers in terms of transaction volume. In addition, Cantor has an unlimited right to internally use our market data without any cost but Cantor does not have the right to furnish such data to any third party. Any future related-party transactions or arrangements between us and Cantor are subject to the prior approval by our Audit Committee. During the year ended December 31, 2021 and the nine months ended September 30, 2022, we recorded revenues from Cantor entities of \$0.1 million and \$0.3 million, respectively, related to commissions paid to us by Cantor.

During the three-year period following the closing of the BGC separation, Cantor provided us with services that we determined were reasonably necessary in connection with the clearance, settlement and fulfillment of futures transactions by us. We received from Cantor all of the economic benefits and burdens associated with Cantor's performance of such services. Although this arrangement with Cantor is continuing, we are using our commercially reasonable efforts to reduce and eliminate our need for such services from Cantor.

#### ***Reinvestments in the OpCos; Co-Investment Rights; Distributions to Holders of Our Common Stock***

We are a holding company, and our businesses are operated through two operating partnerships, which we refer to as the "OpCos": BGC U.S. OpCo, which holds our U.S. businesses, and BGC Global OpCo, which holds our non-U.S. businesses. In order to maintain our economic interest in the OpCos, any net proceeds received by us from any subsequent issuances of our common stock other than upon exchange of BGC Holdings exchangeable limited partnership interests will be indirectly contributed to BGC U.S. OpCo and BGC Global OpCo in exchange for BGC U.S. OpCo limited partnership interests and BGC Global OpCo limited partnership interests consisting of a number of BGC U.S. OpCo units and BGC Global OpCo units that will equal the number of shares of our common stock issued.

In addition, we may elect to purchase from the OpCos an equal number of BGC U.S. OpCo units and BGC Global OpCo units through cash or non-cash consideration. In the future, from time to time, we also may use cash on hand and funds received from distributions from BGC U.S. OpCo and BGC Global OpCo to purchase shares of common stock or BGC Holdings exchangeable limited partnership interests.

In the event that we acquire any additional BGC U.S. OpCo limited partnership interests and BGC Global OpCo limited partnership interests from BGC U.S. OpCo or BGC Global OpCo, Cantor would have the right to cause BGC Holdings to acquire additional BGC U.S. OpCo limited partnership interests and BGC Global OpCo limited partnership interests from BGC U.S. OpCo and BGC Global OpCo, respectively, up to the number of BGC U.S. OpCo units and BGC Global OpCo units that would preserve Cantor's relative indirect economic percentage interest in BGC U.S. OpCo and BGC Global OpCo compared to our interests immediately prior to the acquisition of such additional partnership units by us, and Cantor would acquire an equivalent number of additional BGC Holdings limited partnership interests to reflect such relative indirect interest. The purchase price per BGC U.S. OpCo unit and BGC Global OpCo unit for any such BGC U.S. OpCo limited partnership interests and BGC Global OpCo limited partnership interests issued indirectly to Cantor pursuant to its co-investment rights will be equal to the price paid by us per BGC U.S. OpCo unit and BGC Global OpCo unit. Any such BGC Holdings limited partnership interests issued to Cantor will be designated as exchangeable limited partnership interests.

Cantor will have 10 days after the related issuance of BGC U.S. OpCo limited partnership interests and BGC Global OpCo limited partnership interests to elect such reinvestment and will have to close such election no later than 120 days following such election.

In addition, the Participation Plan provides for issuances, in the discretion of our Compensation Committee or its designee, of BGC Holdings limited partnership interests to current or prospective working partners and executive officers of BGC Partners. Any net proceeds received by BGC Holdings for such issuances generally will be contributed to BGC U.S. OpCo and BGC Global OpCo in exchange for BGC U.S. OpCo limited partnership interests and BGC Global OpCo limited partnership interests consisting of a



number of BGC U.S. OpCo units and BGC Global OpCo units equal to the number of BGC Holdings limited partnership interests being issued so that the cost of such compensation award, if any, is borne pro rata by all holders of the BGC U.S. OpCo units and BGC Global OpCo units, including by us. Any BGC Holdings limited partnership interests acquired by the working partners, including any such interests acquired at preferential or historical prices that are less than the prevailing fair market value of our Class A common stock, will be designated as BGC Holdings working partner interests and will generally receive distributions from BGC U.S. OpCo and BGC Global OpCo on an equal basis with all other limited partnership interests.

To the extent that any BGC U.S. OpCo units and BGC Global OpCo units are issued pursuant to the reinvestment and co-investment rights described above, an equal number of BGC U.S. OpCo units and BGC Global OpCo units will be issued. It is the non-binding intention of us, BGC U.S. OpCo, BGC Global OpCo and BGC Holdings that the aggregate number of BGC U.S. OpCo units held by the BGC Holdings group at a given time divided by the aggregate number of BGC Holdings units issued and outstanding at such time is at all times equal to one, which ratio is referred to herein as the “BGC Holdings ratio,” and that the aggregate number of BGC U.S. OpCo units held by the BGC Partners group at a given time divided by the aggregate number of shares of our common stock issued and outstanding as of such time is at all times equal to one, which ratio is referred to herein as the “BGC Partners ratio.” In furtherance of such non-binding intention, in the event of any issuance of BGC U.S. OpCo limited partnership interests and BGC Global OpCo limited partnership interests to us pursuant to voluntary reinvestment, immediately following such an issuance, we will generally declare a pro rata stock dividend to our stockholders, and in the event of any issuance of BGC U.S. OpCo limited partnership interests and BGC Global OpCo limited partnership interests to BGC Holdings pursuant to its co-investment rights, BGC Holdings will generally issue a pro rata unit distribution to its partners.

#### **BGC Administrative Services Agreements and Tower Bridge**

We have entered into a series of administrative services agreements between our affiliates and those of Cantor which generally have an initial term of three years. Thereafter, each administrative services agreement renews automatically for successive one-year terms, unless any party provides written notice to the other parties of its desire to terminate the agreement at least 120 days before the end of any such year ending during the initial or extended term, in which event such administrative services agreement will end with respect to the terminating party on the last day of such term. In addition, any particular service provided under an administrative services agreement may be cancelled by any party, with at least 90 days’ prior written notice to the providing party, with no effect on the other services.

During the term of each administrative services agreement, the parties will provide administrative and technical support services to each other, including administration and benefits services; employee benefits, human resources, and payroll services; financial and operations services; internal auditing services; legal related services; risk and credit services; accounting and general tax services; space, personnel, hardware and equipment services; communication and data facilities; facilities management services; promotional, sales and marketing services; procuring of insurance coverage; and any miscellaneous services to which the parties reasonably agree. Cantor is entitled to continued use of hardware and equipment it used prior to the date of any applicable administrative services agreement on the terms and conditions provided even in the event BGC Partners terminates such administrative services agreement, although there is no requirement to repair or replace.

Each administrative services agreement provides that direct costs incurred are charged back to the service recipient. Additionally, the service recipient generally indemnifies the service provider for liabilities that it incurs arising from the provision of services, other than liabilities arising from fraud or willful misconduct of the service provider. In accordance with the administrative service agreement, we have not recognized any liabilities related to services provided to affiliates.

In March 2011, the Audit Committee authorized us to receive an allocation of the differential between our and Cantor’s average increase in total compensation year over year to employees shared with Cantor under each administrative services agreement without



a corresponding increase in allocation to Cantor for 2010. For 2011, the Committee also authorized that the differential in average increase in total compensation for that year to shared employees be allocated to us only. In each case, such total compensation shall be allocated or credited to us only in respect of the period for which the awards were made (regardless of the ultimate charges associated with such awards) and shall be calculated at the date of grant and equal the total cash paid by us to each employee plus the number of partnership or equity units issued to such employee multiplied by the price of a share of our Class A common stock on the date of grant plus the gross amount of any cash advance distribution loan made to such employee.

We will continue to provide assets (principally computer equipment), systems/infrastructure and office space in the United Kingdom and Europe to Cantor, and, to the extent applicable, we and our affiliates will continue to do the same in Asia as well. We will provide these assets and office space to Tower Bridge (defined below) in the U.K. to allow it to conduct its business. We will charge Cantor on the same basis as it charges Tower Bridge (although we will charge Tower Bridge without any mark-up). Tower Bridge and its affiliates will charge Cantor on the basis described above for such assets and office space. These assets may be subject to operating leases with third-party leasing companies. We believe that the rate on such leases, subleases or licenses is no greater than would be incurred with a third party on an arm's-length basis.

In the U.S., Cantor and its affiliates provide us with administrative services and other support for which Cantor charges us based on the cost of providing such services. In connection with the services Cantor provides, we and Cantor entered into an administrative services agreement whereby certain employees of Cantor are deemed leased employees of ours. For the year ended December 31, 2021, and the nine months ended September 30, 2022, we were charged \$81.9 million and \$61.8 million, respectively, for the services provided by Cantor and its affiliates, of which \$57.9 million and \$43.5 million, respectively, were to cover compensation to leased employees. The fees charged by Cantor for administrative and support services, other than those to cover the compensation costs of leased employees, are included as part of "Fees to related parties" in our consolidated statements of operations. The fees charged by Cantor to cover the compensation costs of leased employees are included as part of "Compensation and employee benefits" in our consolidated statements of operations.

Throughout Europe and Asia, we provide Cantor with administrative services, technology services and other support, for which we charge Cantor based on the cost of providing such services plus a mark-up, generally 7.5%. In the U.K., we provide these services to Cantor through Tower Bridge International Services L.P. ("Tower Bridge"). We own 52% of Tower Bridge and consolidate it, and Cantor owns 48%. Cantor's interest in Tower Bridge is reflected as a component of "Noncontrolling interest in subsidiaries" in our consolidated statements of financial condition, and the portion of Tower Bridge's income attributable to Cantor is included as part of "Net income (loss) from continuing operations attributable to noncontrolling interest in subsidiaries" in our consolidated statements of operations. In the U.S., we provide Cantor with technology services, for which we charge Cantor based on the cost of providing such services.

On January 9, 2012, Tower Bridge entered into six new administrative services agreements, which we refer to as the "New ASAs," effective December 31, 2011, under which Tower Bridge provides specified administrative services to each of our six U.K. affiliates: BGC Brokers L.P., Cantor Fitzgerald Europe, BGC International, eSpeed International Limited, eSpeed Support Services Limited and Cantor Index Limited, which we refer to as the "U.K. Entities." In the event of any conflict between the administrative services agreements and the New ASAs, the New ASAs will govern. The New ASAs terminated the then-existing administrative service agreements in relation to the U.K. Entities only. The New ASAs are compliant with relevant regulatory requirements in the U.K. and comply with the FSA rules relating to outsourcing of material functions under Section 8 of the Senior Management Arrangements, Systems and Controls. The New ASAs do not materially change the services obligations between the parties and the existing commercial relationships have been broadly retained. The New ASAs provide for various provisions, including additional service levels, a longer termination period, step-in rights for the U.K. Entities, continuation rights on insolvency, audit rights for the U.K. Entities and their regulators, and provision of business continuity in the event of an outage or incident.



Each New ASA commenced on December 31, 2011 and will remain in force until terminated in accordance with its terms. A U.K. Entity may terminate the New ASA on 365 days' notice, for material uncorrected breaches, insolvency of Tower Bridge or a force majeure event which continues for three months or more. A U.K. Entity may also terminate specific services upon 365 days' notice (or a shorter period if the parties agree in writing), and Tower Bridge may terminate specific services with a U.K. Entity's consent. Tower Bridge may terminate the New ASA on 365 days' notice or for material uncorrected breaches, for failure to pay or a force majeure event which continues for three months or more. The charges to a U.K. Entity for services are calculated using the direct cost to Tower Bridge of providing the services plus a transfer pricing markup which varies according to which entity provides the services.

If Tower Bridge becomes insolvent, then a U.K. Entity can (1) terminate the New ASA at any time on written notice or (2) step in and take over the provision of the services itself either directly or via a nominated third party (to the extent permitted under insolvency laws). Step-in rights may only be exercised where the U.K. Entity reasonably believes that crucial functions have been substantially prevented, hindered or delayed and only apply to the service in question. In such a situation, Tower Bridge is required to fully cooperate with the U.K. Entity and the U.K. Entity must pay for third-party costs. Step-in rights cease when Tower Bridge is able to perform the services again. Step in rights are also available to a U.K. Entity on material breach, default or non-performance by Tower Bridge. If a U.K. Entity becomes insolvent, Tower Bridge may terminate the New ASA in certain limited circumstances. Tower Bridge is required to continue to provide the services for a period of 90 days post-insolvency (provided the U.K. Entity pays for those post insolvency services) notwithstanding that it might be owed money by the U.K. Entity for services provided pre-insolvency.

Tower Bridge charges each recipient of services for actual costs incurred for services provided plus a mark-up (if any), as the parties may agree from time to time. Each recipient of services remains responsible for its own regulatory and other compliance functions. These revenues are included as part of "Fees from related parties" in our consolidated statements of operations. For the year ended December 31, 2021 and the nine months ended September 30, 2022, we recognized related party revenues of \$14.9 million and \$10.8 million, respectively, for the services provided to Cantor and its affiliates.

#### **Tower Bridge Lease Guarantee**

On September 21, 2018, we entered into agreements to provide a guarantee and related obligation to Tower Bridge in connection with an office lease for the Company's headquarters in London. We are obligated to guarantee the obligations of Tower Bridge in the event of certain defaults under the applicable lease and ancillary arrangements. In July 2018, the Audit Committee also authorized our management to enter into similar guarantees or provide other forms of credit support to Tower Bridge or other affiliates of ours from time to time in the future in similar circumstances and on similar terms and conditions.

#### **Aqua**

In January 2007, we announced the formation of Aqua Securities L.P. ("Aqua"), an alternative electronic trading platform which offers new pools of block liquidity to the global equities markets. On May 30, 2007, the Financial Industry Regulatory Authority ("FINRA") approved the partial ownership change and name agreement whereby we are entitled to a 49% interest in Aqua, and Cantor is entitled to a 51% interest in Aqua, which may be subject to dilution by other investors from time to time. Cantor and the Company have collectively contributed financial, professional and technology assets to the venture, which included all of the Company's former equities order routing business. On October 2, 2007, Aqua obtained permission from FINRA to operate an Alternative Trading System (the "Aqua ATS") and to provide Direct Market Access for institutional block equity buy-side and sell-side firms. In June 2008, we were authorized to enter into loans, investments or other credit support arrangements for Aqua of up to \$5.0 million in the aggregate, which arrangements would be proportionally and on the same terms as similar arrangements between





Aqua and Cantor (which amount authorized was increased by an aggregate of \$11.2 million between November 2010 and October 2015, an additional \$1.0 million on August 8, 2019, an additional \$2.0 million on February 5, 2020, and an additional \$1.0 million on February 25, 2021). On February 15, 2022, the Audit Committee increased the authorized amount by an additional \$1.0 million as approved in prior periods. We were further authorized to provide counterparty or similar guarantees on behalf of Aqua from time to time, provided that liability for any such guarantees, as well as similar guarantees provided by Cantor, would be shared proportionally with Cantor. During the year ended December 31, 2021 and the nine months ended September 30, 2022, we made \$1.1 million and \$0.6 million in contributions, respectively, to Aqua.

On August 21, 2008, we entered into a two-year Subordinated Loan Agreement, whereby the Company agreed to lend Aqua the principal sum of \$980,000, at the applicable rate of six month London Interbank Offering Rate (“LIBOR”) plus 200 basis points. The cash proceeds covered by this Agreement were used and dealt with by Aqua as part of its capital and were subject to the risks of the business. The Subordinated Loan Agreement was amended and as a result of such amendments, the scheduled maturity date on the subordinated loan is September 1, 2023, and the current rate of interest on the loan is three month LIBOR plus 600 basis points. Aqua is also authorized to receive clearing and administrative services from Cantor and technology infrastructure services from us. Aqua is authorized to pay sales commissions to brokers of Cantor or other brokers who introduce clients who become Aqua participants.

On September 16, 2022, we ceased all operations and trading on the Aqua ATS following the settling of all trades at the close of business that day.

#### **Former Guarantee Agreement from Cantor Fitzgerald & Co**

Under rules adopted by the U.S. Commodity Futures Trading Commission (the “CFTC”), all foreign introducing brokers engaging in transactions with U.S. persons are required to register with the National Futures Association and either meet financial reporting and net capital requirements on an individual basis or obtain a guarantee agreement from a registered Futures Commission Merchant. From time to time, the Company’s foreign-based brokers engage in interest rate swap transactions with U.S.-based counterparties, and, therefore, the Company is subject to the CFTC requirements. Mint Brokers, our wholly owned subsidiary acquired on August 19, 2010, has registered as an FCM with both the CFTC and the NFA (“Mint Brokers”) and has entered into guarantees on behalf of the Company, and the Company is required to indemnify Mint Brokers for the amounts, if any, paid by Mint Brokers on behalf of the Company pursuant to this arrangement. Effective April 1, 2020, these guarantees were transferred to Mint Brokers from CF&Co. During both the year ended December 31, 2021 and the nine months ended September 30, 2022, we recorded fees of \$0.1 million with respect to these guarantees.

#### **Registration Rights Agreements**

Pursuant to various registration rights agreements entered into by Cantor and us, Cantor has received piggyback and demand registration rights.

##### ***Formation Registration Rights Agreement***

Under the formation registration rights agreement, the piggyback registration rights allow Cantor to register the shares of Class A common stock issued or issuable to it in connection with the conversion of its shares of Class B common stock whenever we propose to register any shares of our Class A common stock for our own or another’s account under the Securities Act of 1933, as amended (the “Securities Act”), for a public offering, other than any shelf registration of shares of our Class A common stock to be used as consideration for acquisitions of additional businesses and registrations relating to employee benefit plans.





Cantor also has the right, on three occasions, to require that we register under the Securities Act any or all of the shares of our Class A common stock issued or issuable to it in connection with the conversion of its shares of our Class B common stock. The demand and piggyback registration rights apply to Cantor and to any transferee of shares held by Cantor who agrees to be bound by the terms of the formation registration rights agreement.

We have agreed to pay all costs of one demand and all piggyback registrations, other than underwriting discounts and commissions. We have also agreed to indemnify Cantor and any transferee for certain liabilities they may incur in connection with the exercise of their registration rights. All of these registration rights are subject to conditions and limitations, including (1) the right of underwriters of an offering to limit the number of shares included in that registration, (2) our right not to effect any demand registration within six months of a public offering of our securities and (3) that Cantor agrees to refrain from selling its shares during the period from 15 days prior to and 90 days after the effective date of any registration statement for the offering of our securities.

### ***BGC Separation Registration Rights Agreement***

In connection with the BGC separation in 2008, BGC Partners OldCo entered into the BGC separation registration rights agreement with Cantor which provides that the holders of our common stock, issued or to be issued upon exchange of the BGC Holdings exchangeable limited partnership interests held by Cantor and for any shares of our common stock issued or issuable in respect of or in exchange for any shares of our common stock, are granted registration rights. We refer to these shares as “registrable securities,” and we refer to the holders of these registrable securities as “holders.”

The BGC separation registration rights agreement provides that, after exchange of the BGC Holdings exchangeable limited partnership interests or conversion of Class B common stock into Class A common stock, as the case may be, each holder is entitled to unlimited piggyback registration rights, meaning that each holder can include his or her registrable securities in registration statements filed by us, subject to certain limitations. Cantor exercised such piggyback rights to participate in the June 2008 offering.

The BGC separation registration rights agreement also grants Cantor four demand registration rights requiring that we register the shares of Class A common stock held by Cantor, provided that the amount of securities subject to such demand constitutes at least 10% of the shares of Class A common stock outstanding or has an aggregate market value in excess of \$20 million and no more than one demand registration during any twelve-month period.

We will pay the costs but the holders will pay for any underwriting discounts or commissions or transfer taxes associated with all such registrations.

We have agreed to indemnify the holders registering shares pursuant to the BGC separation registration rights agreement against certain liabilities under the Securities Act.

### **Notes Payable and Market-Making Transactions**

#### ***4.375% Senior Notes due 2025***

On July 10, 2020, we issued an aggregate of \$300.0 million principal amount of 4.375% Senior Notes due 2025 (the “4.375% Senior Notes”). The 4.375% Senior Notes are general unsecured obligations of the Company. The 4.375% Senior Notes bear interest at a rate of 4.375% per year, payable in cash on June 15 and December 15, commencing December 15, 2020. The 4.375% Senior Notes will mature on December 15, 2025. We may redeem some or all of the notes at any time or from time to time for cash at certain “make-whole” redemption prices (as set forth in the indenture related to the 4.375% Senior Notes). If a “Change of Control Triggering



Event” (as defined in the indenture related to the 4.375% Senior Notes) occurs, holders may require us to purchase all or a portion of their notes for cash at a price equal to 101% of the principal amount of the notes to be purchased plus any accrued and unpaid interest to, but excluding, the purchase date. Cantor purchased \$14.5 million of such senior notes and held such notes as of December 31, 2021. The initial carrying value of the 4.375% Senior Notes was \$296.8 million, net of discount and debt issuance costs of \$3.2 million, of which \$0.2 million were underwriting fees payable to Cantor Fitzgerald & Co. (“CF&Co”) and \$36 thousand were underwriting fees payable to CastleOak Securities, L.P. The carrying value of the 4.375% Senior Notes as of December 31, 2021 was \$297.5 million and \$298.0 million as of September 30, 2022.

### ***Market-Making Transactions***

On October 20, 2020, we filed a registration statement on Form S-3 pursuant to which CF&Co may make offers and sales of our 5.125% Senior Notes (which have since been redeemed), 5.375% Senior Notes due 2023, 3.750% Senior Notes and 4.375% Senior Notes in connection with ongoing market-making transactions which may occur from time to time. Such market-making transactions in these securities may occur in the open market or may be privately negotiated at prevailing market prices at a time of resale or at related or negotiated prices. Neither CF&Co, nor any other of our affiliates, has any obligation to make a market in our securities, and CF&Co or any such other affiliate may discontinue market-making activities at any time without notice.

### **Freedom International Brokerage**

We and Cantor formed Freedom International Brokerage Company (“Freedom”) to acquire a 66.7% economic interest in Freedom International Brokerage, a Canadian government securities broker-dealer and Nova Scotia unlimited liability company, in April 2001. As of the closing of the merger, we became entitled to 100% of Freedom’s capital interest in Freedom International Brokerage and we assumed 100% of Freedom’s cumulative profits. As of December 31, 2021 and September 30, 2022, the investment in Freedom International Brokerage was \$9.8 million and \$9.1 million, respectively. We also entered into the Freedom services agreements with Freedom International Brokerage. As of December 31, 2021 and September 30, 2022, the Company had receivables from Freedom of \$1.4 million and \$1.6 million, respectively.

### **CEO Program**

On March 8, 2021, we filed a shelf registration statement on Form S-3 with respect to the issuance and sale of up to an aggregate of \$300.0 million of shares of BGC Class A common stock from time to time on a delayed or continuous basis (the “March 2021 Form S-3”). On July 8, 2022, we filed an amendment to the March 2021 Form S-3. On August 3, 2022, the March 2021 Form S-3 was declared effective by the SEC. On August 12, 2022, we entered into a Controlled Equity Offering<sup>SM</sup> sales agreement with CF&Co (the “August 2022 Sales Agreement”), pursuant to which we could offer and sell up to an aggregate of \$300.0 million of shares of BGC Class A common stock sold under the March 2021 Form S-3. Under the August 2022 Sales Agreement, we agreed to pay to CF&Co a commission of 2% of the gross proceeds from the sale of shares. As of September 30, 2022, we had not sold any shares of BGC Class A common stock or paid any commission to CF&Co under the August 2022 Sales Agreement.

### **BGC Holdings Exchangeable Limited Partnership Interests Held by Cantor**

As of October 31, 2022, Cantor held an aggregate of 57,605,410 BGC Holdings exchangeable limited partnership interests.

We have filed various resale registration statements with respect to shares of Class A common stock that may be sold from time to time on a delayed or continuous basis by (i) Cantor at the direction of and for the account of certain current and former Cantor partners, and/or by such partners, as distributees of shares of Class A common stock from Cantor, (ii) charitable organizations that



receive donations of shares from Cantor, and/or (iii) the Cantor Fitzgerald Relief Fund (the “Relief Fund”) with respect to the shares donated by the Company to it in connection with the Company’s Charity Day. We pay all of the expenses of registration other than any underwriting discounts and commissions and stock transfer taxes.

#### **Certain Financial Advisory Fees and Commissions Paid by the Company to CF&Co**

On August 2, 2010, we were authorized to engage CF&Co and its affiliates to act as financial advisor in connection with one or more third-party business combination transactions with or involving one or more targets as requested by the Company on behalf of its affiliates from time to time on specified terms, conditions and fees. For the year ended December 31, 2021 and nine months ended September 30, 2022, we paid no fees in both periods to CF&Co in connection with business combination transactions. For the year ended December 31, 2021 and nine months ended September 30, 2022, we paid \$4.4 million and no fees, respectively, to CF&Co in connection with disposition transactions. On October 3, 2014, management was granted approval by the Board and Audit Committee to enter into stock loan transactions with CF&Co utilizing equities securities. Such stock loan transactions will bear market terms and rates. As of December 31, 2021 and September 30, 2022, we did not have any Securities loaned transactions with Cantor.

Securities loaned transactions are included in “Securities loaned” in our consolidated statements of financial condition.

#### **Insurance Disposition**

On May 26, 2021, we announced that we had entered into an agreement to sell our Insurance brokerage business to The Ardonagh Group. The transaction closed on November 1, 2021 and, after closing adjustments, we received \$534.9 million in gross cash proceeds, subject to limited post-closing adjustments. CF&Co. served as advisor to the Company and, upon the closing of the transaction, received a banking fee of \$4.4 million, which was consistent with market rates.

#### **Charity Day**

During the year ended December 31, 2015, we committed to make charitable contributions to the Cantor Relief Fund in the amount of \$40.0 million. As of September 30, 2022, we did not have any remaining liability associated with this commitment, and as of December 31, 2021, the remaining liability associated with this commitment was \$1.7 million.

Further, as of September 30, 2022 and December 31, 2021, the Company had an additional liability to the Cantor Relief Fund and The Cantor Foundation (UK) for \$12.2 million and \$8.3 million, respectively, which included \$6.4 million and \$7.2 million of additional expense taken in September of 2022 and 2021, respectively, above the original \$40.0 million commitment.

#### **Development Services**

On February 9, 2016, the Audit Committee of the Board authorized us to enter into an arrangement with Cantor in which the Company would provide dedicated development services to Cantor at a cost to the Company not to exceed \$1.4 million per year for the purpose of Cantor developing the capacity to provide quotations in certain ETF component securities, as well as other securities from time to time. The services are terminable by either party at any time and will be provided on the terms and conditions set forth in the existing Administrative Services Agreement. The Company did not provide any development services to Cantor in both the year ended December 31, 2021 and the nine months ended September 30, 2022 under this arrangement.

#### **Clearing Agreement with Cantor**

We receive certain clearing services (“Clearing Services”) from Cantor pursuant to its clearing agreement. These Clearing Services are provided in exchange for payment by the Company of third-party clearing costs and allocated costs. The costs associated with these payments are included as part of “Fees to related parties” in the Company’s consolidated statements of operations.



### **Joint Services Agreement with Cantor**

In February 2019, our Audit Committee authorized us to enter into a short-term services agreement with Cantor pursuant to which Cantor would be responsible for clearing, settling and processing certain transactions executed on behalf of customers in exchange for a 33% revenue share based on net transaction revenue and the payment by BGC of the fully allocated cost of certain salespersons related thereto. In May 2020, our Audit Committee authorized us to extend the initial term of the short-term services agreement for an additional nine months.

### **Other Transactions with Cantor**

#### ***Treasury Fails***

We are authorized to enter into short-term arrangements with Cantor to cover any failed U.S. Treasury securities transactions and to share equally any net income resulting from such transactions, as well as any similar clearing and settlement issues. As of September 30, 2022, Cantor facilitated \$1.0 million in repurchase agreements between the Company and Cantor for the purpose of financing fails. As of December 31, 2021, Cantor had not facilitated any repurchase agreements between the Company and Cantor for the purpose of financing fails.

#### ***FX Exposure***

To more effectively manage our exposure to changes in foreign exchange rates, we and Cantor have agreed to jointly manage the exposure. As a result, we are authorized to divide the quarterly allocation of any profit or loss relating to foreign exchange currency hedging between us and the Company. The amount allocated to each party is based on the total net exposure for us and Cantor. The ratio of gross exposures of Cantor and us is utilized to determine the shares of profit or loss allocated to each for the period. During the year ended December 31, 2021 and the nine months ended September 30, 2022, we recognized our share of foreign exchange gains of \$0.5 million and \$3.6 million, respectively.

#### ***Mutual Brokerage Services***

In March 2009, we and Cantor were authorized to utilize each other's brokers to provide brokerage services for securities not brokered by such entity, so long as, unless otherwise agreed, such brokerage services were provided in the ordinary course and on terms no less favorable to the receiving party than such services are provided to typical third-party customers. We and Cantor enter into these agreements from time to time.

#### ***Asset Backed Commercial Paper***

In August 2013, the Audit Committee authorized us to invest up to \$350 million in an asset-backed commercial paper program for which certain Cantor entities serve as placement agent and referral agent. The program issues short-term notes to money market investors and is expected to be used from time to time by the Company as a liquidity management vehicle. The notes are backed by assets of highly rated banks. We are entitled to invest in the program so long as the program meets investment policy guidelines, including relating to ratings. Cantor will earn a spread between the rate it receives from the short-term note issuer and the rate it pays to us on any investments in this program. This spread will be no greater than the spread earned by Cantor for placement of any other commercial paper note in the program. As of December 31, 2021 and September 30, 2022, we did not have any investments in the program.



### ***Reverse Repo Agreements***

As part of our cash management process, we may enter into tri-party reverse repurchase agreements and other short-term investments, some of which may be with Cantor. As of both December 31, 2021 and September 30, 2022, we had no reverse repurchase agreements outstanding.

### ***Exchange Agreement***

On June 5, 2015, we entered into an agreement with Cantor providing Cantor, CFGM and other Cantor affiliates entitled to hold Class B common stock the right to exchange from time to time, on a one-to-one basis, subject to adjustment, up to an aggregate of 34,649,693 shares of Class A common stock now owned or subsequently acquired by such Cantor entities for up to an aggregate of 34,649,693 shares of Class B common stock. Such shares of Class B common stock, which currently can be acquired upon the exchange of exchangeable limited partnership units owned in BGC Holdings, are already included in the Company's fully diluted share count and will not increase Cantor's current maximum potential voting power in the common equity. These shares of Class B common stock represented the then-remaining 34,649,693 authorized but unissued shares of Class B common stock available under the Company's then-Amended and Restated Certificate of Incorporation. The exchange agreement will enable the Cantor entities to acquire the same number of shares of Class B common stock that they are already entitled to acquire without having to exchange its exchangeable limited partnership units in BGC Holdings. Our Audit Committee and full Board determined that it was in the best interests of the Company and its stockholders to approve the exchange agreement because it will help ensure that Cantor retains its exchangeable limited partnership units in BGC Holdings, which is the same partnership in which the Company's partner employees participate, thus continuing to align the interests of Cantor with those of the partner employees.

As of September 30, 2022, Cantor and CFGM did not own any shares of our Class A common stock and had the right to exchange any shares of our Class A common stock subsequently acquired by either of them for shares of our Class B common stock, up to 23,613,420 shares of our Class B common stock.

The Company and Cantor have agreed that any shares of Class B common stock issued in connection with the exchange agreement would be deducted from the aggregate number of shares of Class B common stock that may be issued to the Cantor entities upon exchange of exchangeable limited partnership units in BGC Holdings. Accordingly, the Cantor entities will not be entitled to receive any more shares of Class B common stock under this agreement than they were previously eligible to receive upon exchange of exchangeable limited partnership units.

### **Related Party Receivables and Payables**

We have receivables and payables to and from certain affiliated entities. As of September 30, 2022, the related party receivables and payables were \$6.3 million and \$78.4 million, respectively. As of December 31, 2021, the related party receivables and payables were \$5.2 million and \$53.8 million, respectively.

### **LFI Holdings Investment**

On October 25, 2016, our Board and Audit Committee authorized the purchase of 9,000 Class B Units of LFI Holdings, LLC ("LFI"), a wholly owned subsidiary of Cantor, representing all of the issued and outstanding Class B Units of LFI not already owned by us. On November 4, 2016, we completed this transaction. As a result of this transaction, we own 100% of the ownership interests in LFI. In the purchase agreement, Cantor agreed, subject to certain exceptions, not to solicit certain senior executives of LFI's business and was granted the right to be a customer of LFI's businesses on the best terms made available to any other customer. The aggregate purchase price paid by us to Cantor consisted of approximately \$24.2 million in cash plus a \$4.8 million post-closing



adjustment. During the nine months ended September 30, 2022, LFI did not recognize any related party revenues from Cantor. During the year ended December 31, 2021, LFI recognized \$0.2 million in related party revenues from Cantor.

### **Credit Facility with Cantor**

On March 19, 2018, we entered into an unsecured senior credit agreement (the “BGC Credit Agreement”) with Cantor pursuant to an authorization from the Audit Committee. The BGC Credit Agreement provides for each party and certain of its subsidiaries to issue loans to the other party or any of its subsidiaries in the lender’s discretion in an aggregate principal amount up to \$250 million outstanding at any time. The BGC Credit Agreement was approved by the Audit Committee and replaced the credit agreement of \$150 million between the parties described above. On August 6, 2018, the Company entered into an amendment to the BGC Credit Agreement, which increased the aggregate principal amount that can be loaned to the other party or any of its subsidiaries from \$250.0 million to \$400.0 million that can be outstanding at any time.

The BGC Credit Agreement will mature on the earlier to occur of (a) March 19, 2023, after which the maturity date of the BGC Credit Agreement will continue to be extended for successive one-year periods unless prior written notice of non-extension is given by a lending party to a borrowing party at least six months in advance of such renewal date and (b) the termination of the BGC Credit Agreement by either party pursuant to its terms. The outstanding amounts under the BGC Credit Agreement will bear interest for any rate period at a per annum rate equal to the higher of BGC’s or Cantor’s short-term borrowing rate in effect at such time plus 1.00%. As of both September 30, 2022 and December 31, 2021, there were no borrowings by us or Cantor outstanding under this agreement. We did not record any interest income or interest expense related to the agreement for either the nine months ended September 30, 2022 or the year ended December 31, 2021.

### **Transactions With and Related to Newmark**

#### ***Newmark IPO, Separation Transaction and Spin-Off***

In December 2017, Newmark completed its initial public offering of an aggregate 23 million shares of its Class A common stock (the “IPO”). Newmark received approximately \$304.3 million in aggregate net proceeds from the IPO, all of which Newmark used to partially repay indebtedness under a certain term loan that Newmark assumed from BGC Partners prior to the closing of Newmark’s IPO.

Prior to the Newmark IPO, Newmark was our wholly owned subsidiary. On December 13, 2017, prior to the Newmark IPO, pursuant to Separation and Distribution Agreement (as described below), we transferred substantially all of the assets and liabilities relating to our Real Estate Services business to Newmark (the “Separation”). In connection with the Separation, Newmark assumed certain indebtedness and made a proportional distribution of interests in Newmark Holdings to holders of interests in BGC Holdings.

On November 30, 2018 (the “Distribution Date”), BGC completed its Spin-Off to its stockholders of all of the shares of common stock of Newmark owned by BGC as of immediately prior to the effective time of the Spin-Off.

On November 30, 2018, BGC also caused its subsidiary, BGC Holdings to distribute pro-rata (the “BGC Holdings distribution”) all of the 1,458,931 exchangeable limited partnership units of Newmark Holdings held by BGC Holdings immediately prior to the effective time of the BGC Holdings distribution to its limited partners entitled to receive distributions on their BGC Holdings units who were holders of record of such units as of the Spin-Off Record Date (including Cantor and executive officers of BGC).

Following the Spin-Off and the BGC Holdings distribution, BGC ceased to be a controlling stockholder of Newmark, and BGC and its subsidiaries no longer held any shares of Newmark common stock or other equity interests in Newmark or its subsidiaries. Cantor continues to control Newmark and its subsidiaries following the Spin-Off and the BGC Holdings distribution.



### ***Separation and Distribution Agreement***

On December 13, 2017, prior to the closing of Newmark's IPO, BGC Partners, BGC Holdings, BGC U.S. OpCo, Newmark, Newmark Holdings, Newmark OpCo, and, solely for the provisions listed therein, CFLP and BGC Global OpCo entered into a Separation and Distribution Agreement. The Separation and Distribution Agreement sets forth the agreements among BGC Partners, Cantor, Newmark and their respective subsidiaries regarding, among other things:

- the principal corporate transactions pursuant to the BGC Group transferred to the Newmark Group the assets and liabilities of the BGC Group relating to BGC's Real Estate Services business, effecting the Separation;
- the proportional distribution in the Separation of interests in Newmark Holdings to holders of interests in BGC Holdings;
- the IPO and certain pre-IPO contributions of assets by BGC Partners to Newmark in exchange for additional shares thereof;
- the assumption and repayment of indebtedness by the BGC Group and the Newmark Group, as further described below;
- the Spin-Off, including the termination of certain arrangements between the BGC Group and the Newmark Group immediately prior thereto;
- the BGC Holdings distribution;
- indemnities by and among the BGC Group, the Newmark Group and Cantor and each of their respective directors, officers, general partners, managers and employees, from and against all liabilities with respect to liabilities retained or assumed by the BGC Group or the Newmark Group, as applicable, and/or resulting from breaches of the agreement; and
- future access to information, records and personnel necessary or appropriate to comply with regulatory requests or inquiries, for the preparation of financial statements or tax returns, or to conduct litigation.

### ***Employee Matters***

In connection with the Spin-Off, our Compensation Committee had the exclusive authority to determine the treatment of restricted stock awards and restricted stock unit awards outstanding under the Equity Plan. BGC Partners restricted stock awards participated in the Spin-Off as if such holder held unrestricted shares of BGC Partners common stock, and following the Spin-Off, any shares of Newmark common stock issued in respect of restricted BGC Partners common stock remain subject to any vesting, lapse or forfeiture restrictions applicable to the restricted BGC Partners shares prior to the Spin-Off. Restricted stock unit ("RSU") awards outstanding under the Equity Plan were adjusted so that each holder of a BGC Partners restricted stock unit award shall continue to hold a BGC restricted stock unit award covering BGC Partners Class A common shares, but also receive a Newmark restricted stock unit award covering Newmark Class A common shares on an "as distributed basis" in order to reflect the impact of the Spin-Off on the pre Spin-Off BGC Partners restricted stock unit awards. Such restricted stock units shall generally have the same terms, including vesting terms, as the pre-Spin-Off BGC Partners restricted stock unit awards, subject to any adjustments made by the Compensation Committee of the BGC Partners board of directors.

For a discussion of the exchangeability of limited partnership units of BGC Holdings and Newmark Holdings, see "—Second Amended and Restated BGC Holdings Limited Partnership Agreement—Exchanges" below.

### **Second Amended and Restated BGC Holdings Limited Partnership Agreement**

On December 13, 2017, the Amended and Restated BGC Holdings Partnership Agreement was amended and restated (the "Second Amended and Restated BGC Holdings Partnership Agreement" or the "BGC Holdings limited partnership agreement") to





include prior standalone amendments and to make certain other changes related to the Separation. The Second Amended and Restated BGC Holdings Partnership Agreement, among other things, reflects changes resulting from the division in the Separation of BGC Holdings into BGC Holdings and Newmark Holdings among other things, including:

- an apportionment of the existing economic attributes (including, among others, capital accounts and post-termination payments) of each BGC Holdings limited partnership unit outstanding immediately prior to the Separation (a “legacy BGC Holdings unit”) between such legacy BGC Holdings unit and the 0.4545 of a Newmark Holdings limited partnership unit issued in the Separation in respect of such legacy BGC Holdings unit (a “legacy Newmark Holdings unit”), based on the relative value of BGC and Newmark as of after the Newmark IPO; and
- a right of the employer of a partner (whether it be Newmark or BGC) to determine whether to grant exchangeability with respect to legacy BGC Holdings units or legacy Newmark Holdings units held by such partner.

The Second Amended and Restated BGC Holdings Partnership Agreement also removes certain classes of BGC Holdings units that are no longer outstanding, and permits the general partner of BGC Holdings to determine the total number of authorized BGC Holdings units. The Second Amended and Restated BGC Holdings Limited Partnership Agreement was approved by our Audit Committee.

### ***Management***

BGC Holdings is managed by its general partner. Through ownership of the general partner of BGC Holdings, we hold the BGC Holdings general partnership interest and the BGC Holdings special voting limited partnership interest, which entitles us to control BGC Holdings and to remove and appoint the general partner of BGC Holdings.

Under the BGC Holdings limited partnership agreement, we, as the BGC Holdings general partner, manage the business and affairs of BGC Holdings. However, Cantor’s consent is required for amendments to the BGC Holdings limited partnership agreement, to decrease distributions to BGC Holdings limited partners to less than 100% of net income received by BGC Holdings (other than with respect to selected extraordinary items as described above), to transfer any BGC U.S. OpCo or BGC Global OpCo partnership interests beneficially owned by BGC Holdings and to take any other actions that may adversely affect Cantor’s exercise of its co-investment rights to acquire BGC Holdings limited partnership interests, its right to purchase BGC Holdings founding partner interests and its right to exchange the BGC Holdings exchangeable limited partnership interests. Cantor’s consent is also required in connection with transfers of BGC Holdings limited partnership interests by other limited partners and the issuance of additional BGC Holdings limited partnership interests outside of the Participation Plan. As described below under “—Exchanges,” BGC Holdings founding partner interests are only exchangeable if Cantor so determines.

Any working partner interests that are issued will not be exchangeable with us unless otherwise determined by us with the written consent of a BGC Holdings exchangeable limited partnership interest majority in interest, in accordance with the terms of the BGC Holdings limited partnership agreement.

As described below under “—Exchanges,” the employee-owned partnership interests will only be exchangeable for our Class A common stock in accordance with the terms and conditions of the grant of such interests, which terms and conditions will be determined by the BGC Holdings general partner with the written consent of the BGC Holdings exchangeable limited partnership interest majority in interest, in accordance with the terms of the BGC Holdings limited partnership agreement.

The BGC Holdings limited partnership agreement also provides that BGC Holdings, in its capacity as the general partner of each of BGC U.S. OpCo and BGC Global OpCo, requires Cantor’s consent to amend the terms of the BGC U.S. OpCo or BGC Global





OpCo limited partnership agreements or take any other action that may interfere with Cantor's exercise of its co-investment rights to acquire BGC Holdings limited partnership interests (and the corresponding investment in BGC U.S. OpCo and BGC Global OpCo by BGC Holdings) or its rights to exchange the BGC Holdings exchangeable limited partnership interests. Founding/working partners and limited partnership unit holders do not have any voting rights with respect to their ownership of BGC Holdings limited partnership interests, other than limited consent rights concerning amendments to the terms of the BGC Holdings limited partnership agreement.

### ***Classes of Interests in BGC Holdings***

As of September 30, 2022, BGC Holdings had the following outstanding interests

- a general partnership interest, which is held indirectly by us;
- BGC Holdings exchangeable limited partnership interests, which are held by Cantor;
- BGC Holdings founding partner interests, which are limited partnership interests held by founding partners;
- BGC Holdings REU and AREU interests, which are limited partnership interests held by REU and AREU partners;
- a special voting limited partnership interest, which is held by us and which entitles us to remove and appoint the general partner of BGC Holdings;
- BGC Holdings working partner interests held by working partners;
- BGC Holdings RPU and ARPU interests, which are types of working partner interests held by RPU and ARPU partners;
- BGC Holdings PSI, PSE, APSI, PSU, APSU, HDUs, U.K. LPUs and N Units, which are types of working partner interests held by PSI, PSE, APSI, PSU, APSU, HDU, U.K. LPU and N Unit partners. HDUs are LPUs with capital accounts, which are liability awards recorded in "Accrued compensation" in our consolidated statements of financial condition. N Units are Non-distributing partnership units that may not be allocated any item of profit or loss and may not be made exchangeable into shares of our Class A common stock. Which units may include NREUs, NPREUs, NLPUs, NPLPUs, NPSUs, and NPPSUs. Certain of these non-distribution-earning units become distribution earning units at the rate of 20% a year if certain employment conditions are met (internally designated by a "-CV" (e.g., NPSU-CVs, NPPSU-CVs);
- Certain BGC LPUs and New PLPUs which are not entitled to distributions while non-exchangeable and that have certain employment-related conditions to exchangeability; and
- Preferred Units ("Preferred Units"), which are working partner units that may be awarded to holders of, or contemporaneous with the grant of, PSUs, PSIs, PSEs, LPUs, REUs, RPUs and AREUs and which carry the same name as the underlying unit, with the insertion of an additional "P" to designate them as Preferred Units.

REU, AREU, RPU, ARPU, PSI, PSU, APSU, PSE, LPU, NPSU, NREU, NPREU, NLPU, NPLPU, NPPSU, HDU, LPU-New and PLPU-New and Preferred Unit interests are collectively referred to as "limited partnership units."

For a description of the exchange rights and obligations, see "—Exchanges" below. No BGC Holdings founding partner interests were issued after the BGC separation nor will they be. The BGC Holdings founding/ working partner interests held by founding/working partners are designated in various classes, reflecting in general the terms of classes of units that the founding partners previously held in Cantor. See "—Distributions— Classes of Founding/Working Partner Interests."



Any authorized but unissued BGC Holdings units may be issued:

- pursuant to the BGC separation, or as otherwise contemplated by the BGC separation agreement or the BGC Holdings limited partnership agreement;
- to Cantor and members of the Cantor group, in connection with a reinvestment in BGC Holdings;
- with respect to BGC Holdings founding/working partner interests, to an eligible recipient, which means any limited partner or member of the Cantor group or any affiliate, employee or partner thereof, in each case as directed by a BGC Holdings exchangeable limited partner majority in interest (provided that such person or entity is not primarily engaged in a business that competes with BGC Holdings or its subsidiaries);
- as otherwise agreed by us, as general partner, and a BGC Holdings exchangeable limited partner interest majority in interest;
- pursuant to the Participation Plan;
- to any then-current founding/working partner or limited partnership unit holder pursuant to the BGC Holdings limited partnership agreement;
- to any BGC Holdings partner in connection with a conversion of an issued unit and interest into a different class or type of unit and interest; and
- to Cantor in the event of a termination or bankruptcy of a founding/working partner or limited partnership unit holder or the redemption of a founding/working partner interest or limited partnership unit pursuant to the BGC Holdings limited partnership agreement.

### ***Exchanges***

In connection with the Separation, Newmark Holdings interests and units were distributed to holders of BGC Holdings interests and units in proportion to such interests and units of BGC Holdings held by such holders immediately prior to the Separation. Prior to the Spin-Off, unless otherwise agreed by BGC, with respect to legacy BGC Holdings units and legacy Newmark Holdings units, to the extent such units were exchangeable, in order to make an exchange for a share of BGC common stock, a holder had to have exchanged both one legacy BGC Holdings unit and a certain number of legacy Newmark Holdings units as set forth in the BGC Holdings limited partnership agreement, in order to have received one share of BGC common stock.

The BGC Holdings limited partnership interests held by Cantor are generally exchangeable with us for BGC Class B common stock (or, at Cantor's option or if there are no additional authorized but unissued shares of BGC Class B common stock, BGC Class A common stock) on a one-for-one basis (subject to customary anti-dilution adjustments).

The BGC Holdings limited partnership interests that Cantor transferred to founding partners in connection with the redemption of their current limited partnership interests in Cantor at the time of the BGC separation are not exchangeable with us unless (1) Cantor reacquires such interests from BGC Holdings upon termination or bankruptcy of the founding partners or redemption of their units (which it has the right to do under certain circumstances), in which case such interests will be exchangeable with BGC Partners for Class A common stock or Class B common stock as described above or (2) Cantor determines that such interests can be exchanged by such founding partners with us for Class A common stock, generally on a one-for-one basis (subject to customary anti-dilution adjustments), on terms and conditions to be determined by Cantor, provided that the terms and conditions of such exchange cannot in any way diminish or adversely affect our rights or rights of our subsidiaries (it being understood that an obligation by BGC

Partners to deliver shares of Class A common stock upon exchange will not be deemed to diminish or adversely affect the rights of us or our subsidiaries) (which exchange of certain interests Cantor expects to permit from time to time). Once a BGC Holdings founding partner interest becomes exchangeable, such founding partner interest is automatically exchanged for our Class A common stock.



In particular, the BGC Holdings founding partner interests that Cantor provided are exchangeable with us for our Class A common stock on a one-for-one basis (subject to customary anti-dilution adjustments from time to time), in accordance with the terms of the BGC Holdings limited partnership agreement.

Further, the Company provides exchangeability for partnership units under other circumstances in connection with compensation, acquisitions and investments.

Notwithstanding the foregoing, to the extent that BGC Holdings units that were outstanding immediately prior to the Separation (“legacy BGC Holdings units”) and Newmark Holdings units issued in the Separation with respect of such BGC Holdings units (“legacy Newmark Holdings units”), were not exchangeable as of immediately after the Separation, the determination of whether to grant an exchange right with respect to such legacy BGC Holdings units and legacy Newmark Holdings units will be made as follows:

- If the legacy BGC Holdings units and legacy Newmark Holdings unit are held by an employee of the BGC group providing services solely to the BGC group, then BGC Partners shall make such determination;
- If the legacy BGC Holdings units and legacy Newmark Holdings unit are held by an employee of the Newmark group providing services solely to the Newmark group, then Newmark shall make such determination; and
- If the legacy BGC Holdings units and legacy Newmark Holdings unit are held by an employee of the BGC group, the Newmark group or the Cantor group providing services to both the BGC group and the Newmark group, then BGC Partners shall make such determination to the extent that the grant of the exchange right relates to compensation for services by such employee to the BGC group, and Newmark shall make such determination to the extent that the grant of the exchange right relates to compensation for services by such employee to the Newmark group. Grants of exchangeability may be made at any time in the discretion of the relevant service recipient, and future grant practices may differ from prior practices, including without limitation in connection with performance achievement, changes in incentive arrangements, accounting principles, and tax laws (including deductibility of compensation) and other applicable laws.

The Company also provides for exchangeability of certain working partner units without a capital account for other working partner units with a capital account in connection with compensatory arrangements.

#### ***BGC Holdings Exchangeable Limited Partnership Interests***

Any working partner interests that are issued will not be exchangeable with BGC Partners unless we otherwise determine with the written consent of a BGC Holdings exchangeable limited partnership interest majority in interest, in accordance with the terms of the BGC Holdings limited partnership agreement.

The limited partnership units will only be exchangeable for Class A common stock in accordance with the terms and conditions of the grant of such limited partnership units, which terms and conditions will be determined in our sole discretion, as the general partner of BGC Holdings, with the written consent of the BGC Holdings exchangeable limited partnership interest majority in interest with respect to the grant of any exchange right, in accordance with the terms of the BGC Holdings limited partnership agreement.

The one-for-one exchange ratio between BGC Holdings units and Class B common stock and Class A common stock will not be adjusted to the extent that we have made a dividend, subdivision, combination, distribution or issuance to maintain the BGC Partners ratio pursuant to a reinvestment by BGC Partners or its subsidiaries pursuant to its reinvestment right.

Upon our receipt of any BGC Holdings exchangeable limited partnership interest or BGC Holdings founding partner interest, or BGC Holdings limited partnership unit that is exchangeable, pursuant to an exchange, such interest being so exchanged will cease to



be outstanding and will be automatically and fully cancelled, and such interest will automatically be designated as a BGC Holdings regular limited partnership interest, will have all rights and obligations of a holder of BGC Holdings regular limited partnership interests and will cease to be designated as a BGC Holdings exchangeable interest or BGC Holdings founding partner interest, BGC Holdings REU interest or BGC Holdings working partner interest that is exchangeable, and will not be exchangeable.

With each exchange, our indirect interest in BGC U.S. OpCo and BGC Global OpCo will proportionately increase, because immediately following an exchange, BGC Holdings will redeem the BGC Holdings unit so acquired for the BGC U.S. OpCo limited partnership interest and the BGC Global OpCo limited partnership interest underlying such BGC Holdings unit. The acquired BGC U.S. OpCo limited partnership interest and BGC Global OpCo limited partnership interest will be appropriately adjusted to reflect the impact of certain litigation matters and the intention of the parties to the BGC Holdings limited partnership agreement for BGC Holdings (and not BGC Partners) to realize the economic benefits and burdens of such potential claims.

In addition, upon a transfer of a BGC Holdings exchangeable limited partnership interest that is not permitted by the BGC Holdings limited partnership agreement (see “—Transfers of Interests” below), such interest will cease to be designated as a BGC Holdings exchangeable limited partnership interest and will automatically be designated as a regular limited partnership interest.

In the case of an exchange of an exchangeable limited partnership interest or a founding partner interest (or portion thereof), the aggregate capital account of the BGC Holdings unit so exchanged will equal a pro rata portion of the total aggregate capital account of all exchangeable limited partnership units and founding partner units then outstanding, reflecting the portion of all such exchangeable limited partnership units and founding partner units then outstanding represented by the units so exchanged. The aggregate capital account of such exchanging partner in such partner’s remaining exchangeable limited partnership units and/or founding partner units will be reduced by an equivalent amount. If the aggregate capital account of such partner is insufficient to permit such a reduction without resulting in a negative capital account, the amount of such insufficiency will 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 BGC Holdings exchangeable limited partnership interest majority in interest.

In the case of an exchange of an REU interest or working partner interest or portion thereof, the aggregate capital account of the BGC Holdings units so exchanged will equal the capital account of the REU interest or working partner interest (or portion thereof), as the case may be, represented by such BGC Holdings units.

We have agreed to reserve, out of our 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 BGC Holdings exchangeable limited partnership interests, the BGC Holdings founding/working partner interests, if exchangeable, and BGC Holdings limited partnership units, if exchangeable, into shares of BGC Partners Class B common stock or 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 BGC Partners’ Restated Certificate of Incorporation 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 exchangeable BGC Holdings limited partnership interests. We have agreed that all shares of BGC Partners Class B common stock and BGC Partners Class A common stock issued in an exchange will be duly authorized, validly issued, fully paid and non-assessable and will be free from pre-emptive rights and free of any encumbrances.



### ***Distributions***

The profit and loss of BGC U.S. OpCo and BGC Global OpCo are generally allocated based on the total number of BGC U.S. OpCo units and BGC Global OpCo units outstanding, other than in the case of certain litigation matters, the impact of which would be allocated to the BGC U.S. OpCo and BGC Global OpCo partners who are members of the BGC Holdings group as described in “—Second Amended and Restated Limited Partnership Agreements of BGC U.S. OpCo and BGC Global OpCo.” The profit and loss of BGC Holdings are generally allocated based on the total number of BGC Holdings units outstanding, other than the impact of certain litigation matters, which will be allocated to the BGC Holdings partners who are members of the Cantor group, or who are founding/working partners or limited partnership unit holders. The minimum distribution for each RPU interest is \$0.005 per quarter, provided that, with respect to a BGC legacy unit, the minimum distribution shall be apportioned between the BGC legacy unit on one hand and the Newmark legacy unit on the other hand, based on the relative value of BGC and Newmark, such that the sum of the minimum distribution for such BGC legacy unit and Newmark legacy unit immediately following the distribution shall equal \$0.005 with respect to each quarter. For the avoidance of doubt, the distribution provisions of the BGC Holdings limited partnership agreement do not apply to holders of APSUs, AREUs, ARPUs, NLPUs, NPLPUs, NPSPUs, NPREUs, NPSUs and NREUs.

BGC Holdings distributes to holders of the BGC Holdings limited partnership interests (subject to the allocation of certain litigation matters, to BGC Holdings partners who are members of the Cantor group, or who are founding/working partners or who are limited partnership unit holders (and not to us)):

- with respect to partners who are members of the Cantor group and the founding/working partners, on or prior to each estimated tax due date (the 15th day of each April, June, September and December in the case of a partner that is not an individual, and the 15th day of each April, June, September and January in the case of a partner who is an individual), such partner’s estimated proportionate quarterly tax distribution for such fiscal quarter; and
- as promptly as practicable after the end of each fiscal quarter, an amount equal to the excess, if any, of (a) the net positive cumulative amount allocated to such partner’s capital account pursuant to the BGC Holdings limited partnership agreement, over (b) the amount of any prior distributions to such partner.

Pursuant to the terms of the BGC Holdings limited partnership agreement, distributions by BGC Holdings to its partners may not be decreased below 100% of net income received by BGC Holdings from BGC U.S. OpCo and BGC Global OpCo (other than with respect to selected extraordinary items with respect to founding/working partners or limited partnership unit holders, such as the disposition directly or indirectly of partnership assets outside of the ordinary course of business) unless we determine otherwise, subject to Cantor’s consent (as the holder of the BGC Holdings exchangeable limited partnership interest majority in interest). The BGC Holdings general partner, with the consent of Cantor, as the holder of the BGC Holdings exchangeable limited partnership interest majority in interest, may direct BGC Holdings to distribute all or part of any amount distributable to a founding/working partner or a limited partnership unit holder in the form of a distribution of publicly traded shares, including shares of any capital stock of any other entity if such shares are listed on any national securities exchange or included for quotation in any quotation system in the United States, which we refer to as “publicly traded shares,” or in other property.

In addition, the BGC Holdings general partner, with the consent of Cantor, as holder of a majority of the BGC Holdings exchangeable limited partnership interests, in its sole and absolute discretion, may direct BGC Holdings, upon a founding/working partner’s or a limited partnership unit holder’s death, retirement, withdrawal from BGC Holdings or other full or partial redemption of BGC Holdings 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 of other property that the BGC Holdings general partner determines is appropriate in light of the goodwill associated with such partner and his, her or its BGC Holdings units, such partner’s length of service, responsibilities and contributions to BGC Holdings and/or other factors deemed to be relevant by the BGC Holdings general partner. Any such distribution of publicly traded shares or other property to a partner as described in the prior sentence will result in a net reduction in such partner’s capital



account and adjusted capital account, unless otherwise determined by the BGC Holdings general partner in its sole and absolute discretion, provided that any gain recognized as a result of such distribution will not affect such partner's adjusted capital account, unless otherwise determined by both the BGC Holdings general partner and Cantor.

The BGC Holdings limited partnership agreement, however, provides that any and all items of income, gain, loss or deduction resulting from certain specified items allocated entirely to the capital accounts of the limited partnership interests in BGC U.S. OpCo and BGC Global OpCo held by BGC Holdings will be allocated entirely to the capital accounts of BGC Holdings limited partnership interests held by its founding/working partners, its limited partnership unit holders and Cantor as described below under "—Second Amended and Restated Limited Partnership Agreements of BGC U.S. OpCo and BGC Global OpCo—Distributions." In addition, in the discretion of the BGC Holdings general partner, distributions with respect to selected extraordinary transactions, as described below, may be withheld from the founding/working partners and the limited partnership unit holders and distributed over time subject to the satisfaction of conditions set by us, as the general partner of BGC Holdings, such as continued service to us. See "—Redemption of BGC Holdings Founding/Working Partner Interests and Limited Partnership Interests." These distributions that may be withheld relate to income items from non-recurring events, including, without limitation, items that would be considered "extraordinary items" under U.S. GAAP and recoveries with respect to claims for expenses, costs and damages (excluding any recovery that does not result in monetary payments to BGC Holdings) attributable to extraordinary events affecting BGC Holdings (such events may include, unless otherwise determined by the BGC Holdings general partner, any disposition, directly or indirectly (including deemed sales), of capital stock of any affiliate owned by BGC Holdings, whether or not recurring in nature). The BGC Holdings general partner may also deduct from these withheld amounts all or a portion of any extraordinary expenditures from non-recurring events that it determines are to be treated as extraordinary expenditures, including, without limitation, any distribution or other payment (including a redemption payment) to a BGC Holdings partner, the purchase price or other cost of acquiring any asset, any other non-recurring expenditure of BGC Holdings, items that would be considered "extraordinary items" under U.S. GAAP, and expenses, damages or costs attributable to extraordinary events affecting BGC Holdings (including actual, pending or threatened litigation). Any amounts that are withheld from distribution and forfeited by the founding/working partners and the limited partnership unit holders with respect to such extraordinary transactions will be distributed to Cantor in respect of the BGC Holdings limited partnership interests held by Cantor.

No partner may charge or encumber its BGC Holdings limited partnership interest or otherwise subject such interest to any encumbrance, except those created by the BGC Holdings limited partnership agreement. However, a BGC Holdings exchangeable limited partner may encumber its BGC Holdings exchangeable limited partnership interest in connection with any bona fide bank financing transaction.

#### ***Classes of Founding/Working Partner Interests and Limited Partnership Units***

Founding/working partners currently hold five classes of BGC Holdings units underlying such partner's BGC Holdings founding partner interests and BGC Holdings working partner interests, respectively: High Distribution, High Distribution II, High Distribution III, High Distribution IV, and Grant. In addition, there are separate classes of working partner interests called RPU, PSU, and PSI and there are limited partnership units called REU. In addition, effective April 1, 2011, five new units were created. AREU, ARPU, APSU and APSI are identical in all respects to existing REUs, RPUs, PSU and PSI, respectively, except that (i) until any related distribution conditions specified in the applicable award agreement are met, if ever, only net losses shall be allocable with respect to such units; and (ii) no distributions shall be made until such distribution conditions are met. The other new unit created in 2011, the PSE, is identical in all respects to existing PSUs, except that (x) PSEs shall require minimum distributions of no less than \$0.015 per fiscal quarter; and (y) such distributions may be delayed for up to four quarters in the discretion of the General Partner of our Partnership; provided that, with respect to a BGC legacy unit that is a PSE, the minimum distribution shall be apportioned between such BGC legacy unit on one hand and the related Newmark legacy unit on the other hand, based on the relative value of BGC and



Newmark, such that the sum of the minimum distribution for such BGC legacy unit and Newmark legacy unit immediately following the distribution shall equal \$0.015 with respect to each quarter. Further, effective December 17, 2012, a new unit was created, the LPU, which is identical in all respects to the existing PSU, except that the LPU shall be available for issuance only to members of a certain U.K. limited liability partnership. In addition, on November 6, 2013, the Preferred Units were created as discussed above. Also, on May 9, 2014, the NPSUs were created as discussed above.

The term “limited partnership units” is generally used to refer to REUs, AREUs, RPU, ARPUs, PSUs, APSUs, PSIs, APSIs, PSEs, LPUs, NPSUs, NREUs, NPREUs, NLPUs, NPLPUs, NPPSUs or the Preferred Unit equivalents of such limited partnership units as described above.

In general, the rights and obligations of founding/working partners with respect to their BGC Holdings units are similar, but not identical, to the rights and obligations of the founding partners, as limited partners in Cantor with respect to their Cantor units. Each class of BGC Holdings units held by founding/working partners generally entitles the holder to receive a pro rata share of the distributions of income received by BGC Holdings. See “—Distributions” below. High Distribution II and High Distribution III units differ from High Distribution units, however, in that holders of High Distribution II and High Distribution III units paid at their original issuance, or the original issuance of their predecessor interests in Cantor, only a portion (generally approximately 20% in the case of High Distribution II Units and 14.3% in the case of High Distribution III Units) of the amount that would have been paid by a holder of a High Distribution unit as of that date, with the remaining amount (increased by a stated rate), which we refer to as a “HD II Account Obligation” or “HD III Account Obligation,” as applicable, paid, on a stated schedule (generally four years in the case of High Distribution II units and seven years in the case of High Distribution III units). With respect to High Distribution II Units and High Distribution III Units issued in redemption of similar units in Cantor, the applicable HD II Account Obligation or HD III Account Obligation will be paid to Cantor rather than to BGC Holdings. High Distribution IV units differ from High Distribution units in that holders of High Distribution IV units are entitled to receive an additional payment following redemption, as described in “—Redemption of BGC Holdings Founding/Working Partner Interests and Limited Partnership Units.” Grant Units and Matching Grant Units differ from the other classes of BGC Holdings units in the calculation and the compensatory tax treatment of amounts payable upon redemption of such units.

With respect to the limited partnership units, each grant of REUs or AREUs will have associated with it an “REU post-termination amount” or an “AREU post-termination amount” which represents an amount payable to the REU or AREU holder upon redemption of such units. A partner’s entitlement to the REU or AREU post- termination amount will vest ratably over three years or according to such schedule as determined by BGC Holdings at the time of grant. In lieu of paying all or a portion of the REU or AREU post-termination amount, BGC Holdings may cause the REUs or AREUs held by a redeemed partner to be automatically exchanged for shares of BGC Partners Class A common stock at the applicable exchange ratio.

The value of such shares may be more or less than the applicable post-termination amount. These payments of cash and/or shares are conditioned on the former REU or AREU holder not violating his or her partner obligations or engaging in any competitive activity prior to the date such payments are made, and are subject to reduction if any losses are allocated to such REUs or AREUs. From time to time, the terms of specific grants of REUs or AREUs will vary, which variations may include limitations on the income or distributions and may also provide for exchangeability at an identified time or upon the occurrence of certain conditions. RPUs and APSUs have similar features to existing REU and AREU interests except that (i) they provide for a minimum distribution of \$0.005 per quarter and (ii) they provide that if BGC Holdings were to be dissolved, the obligation to provide Post-Termination Payments to terminated partners holding RPUs or ARPUs is cancelled. PSUs, APSUs, PSIs, PSEs and APSIs are similar to REUs, AREUs, RPUs and ARPUs, respectively, except that they do not have post- termination payments. Preferred Units are entitled solely to the Preferred Distribution and, similarly, do not have post-termination payments. NPSUs are identical to PSUs except that they are not entitled to participate in partnership distributions, will not be allocated any items of profit or loss and may not be made exchangeable into shares





of our Class A common stock, but may be converted into PSUs or PPSUs in the sole discretion of the General Partner of our Partnership. The N Units are identical to their underlying units except that they are not entitled to participate in partnership distributions, will not be allocated any items of profit or loss and may not be made exchangeable into shares of our Class A common stock, but may be converted into the underlying unit in the sole discretion of the General Partner of the Partnership and subject to the approval of the Compensation Committee.

### ***Partner Obligations***

Each of the founding/working partners and each of the limited partnership unit holders are subject to certain partner obligations, which we refer to as “partner obligations.” The partner obligations constitute an undertaking by each of the founding/working partners and each of the limited partnership unit holders that they have a duty of loyalty to BGC Holdings and that, during the period from the date on which a person first becomes a partner through the applicable specified period following the date on which such partner ceases, for any reason, to be a partner, not to, directly or indirectly (including by or through an affiliate):

- breach a founding/working partner’s or limited partnership unit holder’s, as the case may be, duty of loyalty to BGC Holdings, through the four-year period following the date on which such partner ceases, for any reason, to be a founding/working partner or limited partnership unit holder;
- engage in any activity of the nature set forth in clause (1) of the definition of the competitive activity (as defined below) through the two-year period following the date on which such partner ceases for any reason to be a founding/working partner or limited partnership unit holder;
- engage in any activity of the nature set forth in clauses (2) through (5) of the definition of competitive activity (as defined below) or take any action that results directly or indirectly in revenues or other benefit for that founding/working partner or limited partnership unit holder or any third party that is or could be considered to be engaged in any activity of the nature set forth in clauses (2) through (5) of the definition of competitive activity, except as otherwise agreed to in writing by BGC Holdings general partner, in its sole and absolute discretion, for the one-year period following the date on which such partner ceases, for any reason, to be a founding/working partner or limited partnership unit holder;
- make or participate in the making of (including through the applicable partner’s or any of his, her or its affiliates, respective agents or representatives) any comments to the media (print, broadcast, electronic or otherwise) that are disparaging regarding BGC Partners or the senior executive officers of BGC Partners or are otherwise contrary to the interests of BGC Partners as determined by the BGC Holdings general partner in its sole and absolute discretion, for the four-year period following the date on which such partner ceases, for any reason, to be a founding/working partner or a limited partnership unit holder, as the case may be;
- except as permitted with respect to corporate opportunities and fiduciary duties in the BGC Holdings limited partnership agreement (see “—Corporate Opportunity; Fiduciary Duty” below) take advantage of, or provide another person with the opportunity to take advantage of, a BGC Partners “corporate opportunity” (as such term would apply to BGC Holdings if it were a corporation) including opportunities related to intellectual property, which for this purpose requires granting BGC Partners a right of first refusal to acquire any assets, stock or other ownership interest in a business being sold by any partner or affiliate of such partner if an investment in such business would constitute a “corporate opportunity” (as such term would apply to BGC Holdings 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 BGC Holdings general partner in writing in its sole and absolute discretion, for a four-year period following the date on which such partner ceases, for any reason, to be a founding/working partner or a limited partnership unit holder, as the case may be; or





- otherwise take any action to harm, that harms or that reasonably could be expected to harm, BGC Partners for a four-year period following the date on which a founding/working partner or a limited partnership unit holder, as the case may be, ceases, for any reason, to be a founding/working partner or a limited partnership unit holder, as the case may be, including any breach of its confidentiality obligations.

A founding/working partner or limited partnership unit holder is considered to have engaged in a “competitive activity” if such partner (including by or through his, her or its affiliates), during the applicable restricted period, which we collectively refer to as the “competitive activities”:

- (1) 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, BGC Partners or any member of the Cantor group or affiliated entity to terminate their employment or other business arrangements with Cantor, BGC Partners or any member of the Cantor group or affiliated entity, or to engage in any competing business (as defined below) or hires, employs, engages (including as a consultant or partner) or otherwise enters into a competing business with any such person;
- (2) solicits any of the customers of Cantor, BGC Partners 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, BGC Partners or any member of the Cantor group or affiliated entity;
- (3) does business with any person who was a customer of Cantor, BGC Partners or any member of the Cantor group or affiliated entity during the 12-month period prior to such partner becoming a terminated or bankrupt partner if such business would constitute a competing business;
- (4) directly or indirectly engages in, represents in any way, or is connected with, any competing business, directly competing with the business of Cantor, BGC Partners or any member of the Cantor group or affiliated entity, whether such engagement will be as an officer, director, owner, employee, partner, consultant, affiliate or other participant in any competing business; or
- (5) assists others in engaging in any competing business in the manner described in the foregoing clause (4). “Competing business” means an activity that (a) involves the development and operations of electronic trading systems, (b) involves the conduct of the wholesale or institutional brokerage business, (c) consists of marketing, manipulating or distributing financial price information of a type supplied by Cantor, BGC Partners, or any member of the Cantor group or affiliated entity to information distribution services or (d) competes with any other business conducted by Cantor, BGC Partners, any member of the Cantor group or affiliated entity if such business was first engaged in by Cantor or BGC Partners took substantial steps in anticipation of commencing such business and prior to the date on which such founding/working partner or limited partnership unit holder, as the case may be, ceases to be a founding/working partner or limited partnership unit holder, as the case may be.

Notwithstanding anything to the contrary, and unless Cantor determines otherwise, none of such partner obligations apply to any founding/working partner or limited partnership unit holder that is also a Cantor Company. “Cantor Company” means Cantor or any of its affiliates (other than, if applicable, BGC and any of our subsidiaries, including Newmark and its subsidiaries). Such partners are exempt from these partner obligations.

The determination of whether a founding/working partner or limited partnership unit holder has breached his or her partner obligations will be made in good faith by the BGC Holdings general partner in its sole and absolute discretion, which determination



will be final and binding. If a founding/working partner or a limited partnership unit holder breaches his, her or its partner obligations, then, in addition to any other rights or remedies that the BGC Holdings general partner may have, and unless otherwise determined by the BGC Holdings general partner in its sole and absolute discretion, BGC Holdings will redeem all of the units held by such partner for a redemption price equal to their base amount, and such partner will have no right to receive any further distributions, or payments of cash, stock or property, to which such partner otherwise might be entitled.

Any founding/working partner or limited partnership unit holder, as the case may be, that breaches his or her partner obligations is required to indemnify BGC Holdings for and pay any resulting attorneys' fees and expenses, as well as any and all damages resulting from such breach. In addition, upon breach of the BGC Holdings limited partnership agreement by or the termination or bankruptcy of a founding/working or a limited partnership unit holder, as the case may be, that is subject to the partner obligations, or if any such partner owes any amount to BGC Holdings or to any affiliated entity or fails to pay any amount to any other person with respect to which amount BGC Holdings 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), BGC Holdings has the right to set off the amount that such partner owes to BGC Holdings 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 BGC Holdings in connection with such breach, such termination or bankruptcy or such indebtedness (including attorneys' fees and expenses and any diminution in value of any BGC Holdings 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 the BGC Holdings limited partnership 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.

A founding/working partner or a limited partnership unit holder, as the case may be, will become a terminated partner upon (a) the actual termination of the employment of such partner, so that such partner is no longer an employee of BGC U.S. OpCo, BGC Global OpCo or any affiliated entity, with or without cause by the employer, by such partner or by reason of death, (b) the termination by the BGC Holdings general partner, which may occur without the termination of a partner's employment, of such partner's status as a partner by reason of a determination by the BGC Holdings general partner that such partner has breached the BGC Holdings limited partnership agreement or that such partner has ceased to provide substantial services to BGC Holdings or any affiliated entity, even if such cessation is at the direction of BGC Holdings or any affiliated entity or (c) ceasing to be a partner for any reason. With respect to a corporate or other entity partner, such partner will also be considered terminated upon the termination of the beneficial owner, grantor, beneficiary or trustee of such partner.

A founding/working partner or a limited partnership unit holder, as the case may be, will become a bankrupt partner upon (a) making an assignment for the benefit of creditors, (b) filing a voluntary petition in bankruptcy, (c) the adjudication of such partner as 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 himself, herself or itself any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any bankruptcy statute, law or regulation, (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 or (f) the appointment of or 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 founding/working partner. With respect to a corporate founding/working partner, bankruptcy will also include the occurrence of any of the foregoing events with respect to the beneficial owner of the majority of the stock of such partner. Notwithstanding the foregoing, no event constitutes a bankruptcy of a founding/working partner or limited partnership unit holder, as the case may be, unless the BGC Holdings general partner so determines in its sole and absolute discretion.



### ***Redemption of BGC Holdings Founding/Working Partner Interests and Limited Partnership Units***

Unlike the BGC Holdings limited partnership interests held by Cantor, the classes of BGC Holdings limited partnership interests held by founding partners, working partners and limited partnership unit holders (in each case, to the extent such interests have not become exchangeable) are subject to purchase and redemption by BGC Holdings in the following circumstances (subject to Cantor's right to purchase such interests from BGC Holdings as described in "—Cantor's Right to Purchase Exchangeable BGC Holdings Limited Partnership Interests Upon Redemption or Exchange of BGC Holdings Founding Partner Interests"):

- except as otherwise agreed to by each of the BGC Holdings general partner, the BGC Holdings exchangeable limited partners (by a majority in interest of the BGC Holdings exchangeable limited partnership interests) and the applicable founding partner, 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), BGC Holdings will purchase and redeem from such founding partner or his, her or its representative, and such founding partner or his, her or its representative will sell to BGC Holdings, all of the founding partner interests held by such founding partner (and, with the consent of the BGC Holdings general partner and Cantor, BGC Holdings may assign its right to purchase such founding partner interests to another partner); and
- except as otherwise agreed to by each of the BGC Holdings general partner and the applicable working partner or limited partnership unit holder, as the case may be, upon (1) any termination or bankruptcy of a working partner or limited partnership unit holder, as the case may be (or the termination or bankruptcy of the beneficial owner of the stock or other ownership interest of any such working partner or limited partnership unit holder that is a corporation or other entity) or (2) an election of the BGC Holdings general partner for any reason or for no reason whatsoever, BGC Holdings will purchase and redeem from such working partner or his, her or its representative, and such working partner or his, her or its representative will sell such REUs to BGC Holdings, all of the working partner interests held by such working partner (and, with the consent of the BGC Holdings general partner and Cantor, BGC Holdings may assign its right to purchase such partner interests to another partner).

Founding/working partner interests or REU or RPU interests, as the case may be, will be redeemed at a pre-determined formula redemption price. The redemption price for a BGC Holdings founding/working partner interest or limited partnership unit holder interest, as the case may be, generally reflects the purchase price paid by such partner for his or her interest, adjusted to reflect such partner's share of changes in the book value of BGC Holdings. For purposes of determining the redemption price, the book value is determined in accordance with the BGC Holdings limited partnership agreement, which in general does not take into account goodwill or going concern value, provided, however, in all cases where the BGC Holdings unit is a legacy BGC Holdings unit and the distribution has not yet occurred, the redemption price will be adjusted to address the portion of BGC Holdings legacy units and Newmark Holdings legacy units held by such founding partners, working partners and limited partnership unit holders. In the circumstances described above, BGC Holdings limited partnership interests that have become exchangeable will be automatically exchanged for BGC Partners Class A common stock, provided that in all cases where the distribution has not yet occurred and the exchangeable BGC Holdings unit is a legacy BGC Holdings unit, instead of common stock, BGC Holdings shall purchase the BGC Holdings legacy unit at a price determined in accordance with the terms of the BGC Holdings limited partnership agreement.

Each grant of REUs or RPUs will have associated with it a "post-termination amount," which represents an amount payable to the REU or RPU holder upon redemption of such units. A partner's entitlement to the post- termination amount will vest ratably over three years or according to such schedule as determined by BGC Holdings at the time of grant. In lieu of paying all or a portion of the post-termination amount, BGC Holdings may cause the REUs or RPUs held by a redeemed partner to be automatically exchanged for shares of BGC Partners Class A common stock at the applicable exchange ratio. The value of such shares may be more or less than the applicable post-termination amount. These post-termination payments are conditioned on the former REU or RPU holder not



violating his or her partner obligations or engaging in any competitive activity prior to the date such payments are made, and are subject to reduction if any losses are allocated to such REUs or RPUs.

The aggregate redemption price for a founding partner interest is generally equal to the adjusted capital account of such interest.

In general, with respect to founding partner interests, working partner interests or limited partnership unit holder interests that have not become exchangeable and that are held by terminated or bankrupt founding/ working partners or terminated or bankrupt limited partnership unit holders, as the case may be, a portion of the redemption price, which we refer to as the “base amount,” is to be paid within 90 days of redemption, with the remainder of the redemption price paid on each of the following four anniversaries. The base amount of BGC Holdings founding/working partner interests and BGC Holdings REU and RPU interests designated as Grant Units, High Distribution III Units and High Distribution IV Units will each at all times be zero. The base amount is calculated pursuant to a formula, and it reflects a larger percentage of the total redemption price for working partners who have been partners for a longer period in BGC Holdings. The portion of the redemption price that is to be paid to a terminated or bankrupt founding/working partner or terminated or bankrupt REU or RPU partner, as the case may be, on each of the four anniversaries following a redemption is conditioned on such partner not having engaged in a competitive activity or violated his or her partner obligations. In addition, redemption prices shall be adjusted in the case of legacy BGC Holdings units as described in the BGC Holdings limited partnership agreement.

The general partner of BGC Holdings may also withhold each founding/working partner or limited partner unit holder’s, as the case may be, share of distributions attributable to income and loss with respect to selected extraordinary transactions, such as the disposition directly or indirectly of partnership assets outside the ordinary course of business. With respect to terminated or bankrupt founding/working partners or terminated or bankrupt REU or RPU interests, as the case may be, such partner whose limited partnership interests in BGC Holdings are redeemed will receive payments reflecting these extraordinary items only to the extent that such partner’s right to receive these payments has vested (with 30% vesting on the third anniversary of the applicable event or, if later, the date of acquisition of interests in BGC Holdings and the remainder vesting ratably over a seven year vesting schedule, provided that the BGC Holdings general partner may, in its sole and absolute discretion, accelerate the vesting of such amounts), with payments made on each of the first five anniversaries of the redemption of such limited partner interests. These payments are conditioned on such partner not violating his or her partner obligations or engaging in any competitive activity, prior to the date such payments are completed and are subject to prepayment at the sole and absolute discretion of the BGC Holdings general partner at any time. Any amounts that are withheld from distribution and forfeited by such partners will be distributed to Cantor in respect of its BGC Holdings limited partnership interests. In addition, such payments shall be adjusted in the case of legacy BGC Holdings units as described in the BGC Holdings limited partnership agreement.

Any distribution to a holder of High Distribution II Units or High Distribution III Units, including with respect to additional amounts payable upon redemption, may be reduced in the discretion of the BGC Holdings general partner to satisfy such holder’s HD II Account Obligation or HD III Account Obligation, as applicable, as described above in “—Classes of Founding/Working Partner Interests and Limited Partnership Units.” Upon the purchase by Cantor of High Distribution II Units or High Distribution III Units issued in redemption of similar units in Cantor, the amount payable by Cantor to acquire such units will be reduced by an amount equal to the HD II Account Obligation or HD III Account Obligation, as applicable, with respect to such units and shall also be adjusted in the case of legacy BGC Holdings units as described in the BGC Holdings limited partnership agreement.

In addition, holders of High Distribution IV Units (all of which are being issued in exchange for High Distribution IV Units previously issued by Cantor to such holders) are entitled to receive an additional payment, one-fourth of such amount being payable on each of the first four anniversaries of redemption, reflecting a fixed amount determined as of the date of the original issuance of the predecessor High Distribution IV Units by Cantor.



BGC Holdings may in its discretion make redemption payments in property, including in BGC Partners shares, rather than in cash and may in its discretion accelerate the amount of these payments and, with the consent of a BGC Holdings exchangeable limited partnership interest majority in interest, in recognition of a founding/working partner's or REU or RPU partner's, as the case may be, contributions to the business, increase these payments to reflect BGC Holdings' goodwill or going concern value.

In the event of such a redemption or purchase by BGC Holdings of any BGC Holdings founding/working partner interests, BGC Holdings will cause BGC U.S. OpCo and BGC Global OpCo to redeem and purchase from BGC Holdings a number of BGC U.S. OpCo units and BGC Global OpCo units, in each case, equal to (1) the number of units underlying the redeemed or purchased BGC Holdings founding/working partner interests or REU or RPU interests, as the case may be, multiplied by (2) the Holdings ratio as of immediately before the redemption or purchase of such BGC Holdings founding/working partner interests or REU or RPU interests, as the case may be. The purchase price paid to BGC U.S. OpCo and BGC Global OpCo will be an amount of cash equal to the amount required by BGC Holdings to redeem or purchase such interest. Upon mutual agreement of the BGC Holdings general partner, the BGC U.S. OpCo general partner and the BGC Global OpCo general partner, BGC U.S. OpCo and BGC Global OpCo may, instead of cash, pay all or a portion of such aggregate purchase price, in publicly traded shares. The PSUs, PSIs, LPUs and the Preferred Units are redeemable at the discretion of the general partner of BGC Holdings.

If the partnership or the general partner, as the case may be, is entitled to exercise discretion under the BGC Holdings limited partnership agreement with respect to BGC Holdings legacy units, then the general partner or the partnership, as the case may be, may exercise the same discretion with respect to the corresponding Newmark Holdings legacy units.

***Cantor's Right to Purchase Exchangeable BGC Holdings Limited Partnership Interests Upon Redemption or Exchange of BGC Holdings Founding Partner Interests***

Cantor has a right to purchase from BGC Holdings exchangeable limited partnership interests in the event that any BGC Holdings founding partner interests that have not become exchangeable are redeemed by BGC Holdings upon termination or bankruptcy of a founding partner or upon mutual consent of the general partner of BGC Holdings and Cantor. Cantor has the right to purchase such BGC Holdings exchangeable limited partnership interests at a price equal to the lesser of (1) the amount that BGC Holdings would be required to pay to redeem and purchase such BGC Holdings founding partner interests and (2) the amount equal to (x) the number of units underlying such founding partner interests, multiplied by (y) the exchange ratio as of the date of such purchase, multiplied by (z) the then-current market price of BGC Partners Class A common stock. Cantor may pay such price using cash, publicly traded shares or other property, or a combination of the foregoing. If Cantor (or the other member of the Cantor group acquiring such limited partnership interests, as the case may be) so purchases such limited partnership interests at a price equal to clause (2) above, neither Cantor nor any member of the Cantor group nor BGC Holdings nor any other person is obligated to pay BGC Holdings or the holder of such founding partner interests any amount in excess of the amount set forth in clause (2) above.

In addition, in the event that current, terminating or terminated partners are permitted by the Company to exchange any portion of their founding partner units and Cantor consents to such exchange, the Company, pursuant to the terms of the BGC Holdings limited partnership agreement which were adopted as part of the Sixth Amendment to the then-Amended and Restated BGC Holdings Partnership Agreement (the "Sixth Amendment"), shall offer Cantor the right to purchase the same number of new exchangeable limited partnership interests in BGC Holdings at the price it would have paid for the founding partner units had the Company redeemed them. Such interests, if issued, would be subject to, and granted in accordance with, applicable laws, rules and regulations then in effect.

If Cantor acquires any units as a result of the purchase or redemption by BGC Holdings of any founding partner interests, Cantor will be entitled to the benefits (including distributions) of such units it from the date of termination or bankruptcy of the applicable



founding partner. In addition, any such units acquired by Cantor will be exchangeable by Cantor for shares of BGC Partners Class B common stock or, at Cantor's election, shares of BGC Partners Class A common stock, in each case, on a one-for-one basis (subject to customary anti-dilution adjustments), on the same basis as the Cantor interests, and will be designated as BGC Holdings exchangeable limited partnership interests when acquired by Cantor. This may permit Cantor to receive a larger share of income generated by BGC Partners' business at a less expensive price than through purchasing shares of BGC Partners Class A common stock, which is a result of the price payable by Cantor to BGC Holdings upon exercise of its right to purchase equivalent exchangeable interests.

Cantor also has a right to purchase any BGC Holdings working partner interests or BGC Holdings limited partnership units (in each case that have not become exchangeable), as the case may be, that are redeemed by BGC Holdings if BGC Holdings elects to transfer the right to purchase such interests to a BGC Holdings partner rather than redeem such interests itself. Cantor has the right to purchase such interests on the same terms that such BGC Holdings partner would have a right to purchase such interests.

On November 1, 2010, the Audit and Compensation Committees of the Board of the Company authorized the Company's management from time to time to cause it to enter into various compensatory arrangements with partners, including founding partners who hold non-exchangeable founding partner units that Cantor has not elected to make exchangeable into shares of Class A common stock. These arrangements, which may be entered into prior to or in connection with the termination of such partners, include but are not limited to the grant of shares or other awards under the Equity Plan, payments of cash or other property, or partnership awards under the BGC Holdings' Participation Plan or other partnership adjustments, which arrangements may result in the repayment by such partners of any partnership loans or other amounts payable to or guaranteed by Cantor earlier than might otherwise be the case, and for which the Company may incur compensation charges that it might not otherwise have incurred had such arrangements not been entered into.

On March 31, 2021, Cantor purchased from BGC Holdings an aggregate of (i) 1,149,684 exchangeable limited partnership interests for aggregate consideration of \$2,104,433 as a result of the redemption of 1,149,684 founding partner interests, and (ii) 1,618,376 exchangeable limited partnership interests for aggregate consideration of \$3,040,411 as a result of the exchange of 1,618,376 founding partner interests. On October 28, 2021, Cantor purchased from BGC Holdings an aggregate of (i) 460,929 exchangeable limited partnership interests for aggregate consideration of \$715,605 as a result of the redemption of 460,929 founding partner interests, and (ii) 1,179,942 exchangeable limited partnership interests for aggregate consideration of \$2,033,838 as a result of the exchange of 1,179,942 founding partner interests. On May 17, 2022, Cantor purchased from BGC Holdings an aggregate of 427,494 Cantor units for aggregate consideration of \$841,010 as a result of the redemption of 427,494 founding partner units, and 52,681 Cantor units for aggregate consideration of \$105,867 as a result of the exchange of 52,681 founding partner units.

On October 25, 2022, Cantor purchased from BGC Holdings an aggregate of (i) 275,833 Cantor units for aggregate consideration of \$397,196 as a result of the redemption of 275,833 FPU's, and 77,507 Cantor units for aggregate consideration of \$142,613 as a result of the exchange of 77,507 FPU's. Following such purchases, as of October 31, 2022 there were no FPU's in BGC Holdings remaining which BGC Holdings had the right to redeem or exchange and with respect to which Cantor would have the right to purchase an equivalent number of Cantor units following such redemption or exchange. In addition, any such Cantor units purchased by Cantor are currently exchangeable for up to 23.6 million shares of BGC Class B common stock or, at Cantor's election or if there are no such additional shares of BGC Class B common stock, shares of BGC Class A common stock, in each case on a one-for-one basis (subject to customary anti-dilution adjustments).

It is anticipated that, in connection with the Corporate Conversion Transactions, all FPU's will be redeemed or exchanged, as applicable, and Cantor will exercise its rights to purchase approximately 6.4 million Cantor units, which would then be converted into shares of BGC Group Class B common stock.



### *Transfers of Interests*

In general, subject to the exceptions described below, no BGC Holdings partner may transfer or agree or otherwise commit to transfer all or any portion of, or any rights, title and interest in and to, its interest in BGC Holdings.

Regular limited partners (other than the special voting limited partner of BGC Holdings), including exchangeable limited partners, of BGC Holdings may transfer limited partnership interests in the following circumstances:

- pursuant to a permitted exchange under the BGC limited partnership agreement;
- to any Cantor Company;
- in connection with an exchange with BGC Partners, if applicable;
- if the transferor limited partner is a member of the Cantor group, to any person; or
- with the prior written consent of the general partner and the exchangeable limited partners (by affirmative vote of a BGC Holdings exchangeable limited partnership interest majority in interest, not to 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).

With respect to any exchangeable limited partnership interest transferred by Cantor to another person, Cantor may elect, prior to or at the time of such transfer, either (1) that such person will receive such interest in the form of an exchangeable limited partnership interest and that such person will thereafter be an exchangeable limited partner so long as such person continues to hold such interest or (2) that such person will 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 of BGC Holdings), including as a founding partner interest, working partner interest or otherwise, and that such person will not be an exchangeable limited partner as a result of holding such interest.

Founding partners may transfer BGC Holdings founding partner interests in the following circumstances:

- in connection with an exchange with BGC Partners, if applicable;
- pursuant to a redemption;
- if the transferee limited partner is a member of the Cantor group (except that in the event such transferee ceases to be a member of the Cantor group, such interest will automatically transfer to Cantor);
- with the consent of the BGC Holdings exchangeable limited partnership interest majority in interest, to any other founding partner; or
- with the mutual consent of the general partner and the BGC Holdings exchangeable limited partnership interest majority in interest (which consent may be withheld for any reason or no reason), to any other person.

Working partners and limited partnership unit holders may transfer BGC Holdings working partner interests or BGC Holdings limited partnership units, as the case may be, in the following circumstances:

- pursuant to a redemption, in the case of working partners, and pursuant to the grants concurrently with the BGC separation, in the case of limited partnership unit holders;
- in connection with an exchange with BGC Partners, if applicable;





- if the transferee limited partner is a member of the Cantor group (except that in the event such transferee ceases to be a member of the Cantor group, such interest will automatically transfer to Cantor); or
- with the mutual consent of the general partner and the BGC Holdings exchangeable limited partnership interest majority in interest.

The special voting limited partner may transfer the special voting limited partnership interest in connection with the contribution and the BGC separation or to a wholly-owned subsidiary of BGC Partners (except that in the event such transferee ceases to be a wholly-owned subsidiary of BGC Partners, the special voting partnership interest will automatically be transferred to BGC Partners, without any further action required on the part of BGC Holdings, BGC Partners or any other person).

The general partner may transfer its general partnership interest in the following circumstances:

- to a new general partner as described below; or
- with the special voting limited partner's prior written consent, to any other person.

The special voting limited partner may, in its sole and absolute discretion, remove any general partner, with or without cause. The general partner may resign as the general partner of BGC Holdings for any reason or no reason, except that as a condition to any removal or resignation, the special voting limited partner will first appoint a new general partner who will be admitted to BGC Holdings as the new general partner, and the resigning or removed general partner will transfer its entire general partnership interest to the new general partner.

#### *Amendments*

The BGC Holdings limited partnership agreement cannot be amended except with the approval of each of the general partner and the exchangeable limited partners (by the affirmative vote of a BGC Holdings exchangeable limited partnership interest majority in interest) of BGC Holdings. In addition, the BGC Holdings limited partnership agreement cannot be amended to:

- 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;
- alter the interest of any partner in the amount or timing of distributions or the allocation of profits, losses or credits, if such alteration would either materially adversely affect the economic interest of a partner or would materially adversely affect the value of interests, without the consent of the partners holding at least two-thirds of all units, in the case of an amendment applying in substantially similar manner to all classes of interests, or two-thirds in interest of the affected class or classes of the partners, in the case of any other amendment; or
- alter the special voting limited partner's ability to remove a general partner.

The general partner of BGC Holdings may authorize any amendment to correct any technically incorrect statement or error apparent on the face thereof in order to further the parties' intent or to correct any formality or error or incorrect statement or defect in the execution of the BGC Holdings limited partnership agreement.

In the event of any material amendment to the BGC Holdings limited partnership agreement that materially adversely affects the interest of a founding/working partner or an limited partnership unit holder, as the case may be, in the partnership or the value of founding/working partner interests or limited partnership units, as the case may be, held by such partner in the amount or timing of distributions or the allocation of profits, losses or credit, then such partner who does not vote in favor of such amendment has a right





to elect to become a terminated partner of BGC Holdings, regardless of whether there is an actual termination of the employment of such partner. The BGC Holdings general partner will have a right, in the event of such election by a founding/working partner or a limited partnership unit holder, as the case may be, to revoke and terminate such proposed amendment to the BGC Holdings limited partnership agreement.

#### ***Corporate Opportunity; Fiduciary Duty***

The BGC Holdings limited partnership agreement contains similar corporate opportunity provisions to those included in BGC Partners' certificate of incorporation with respect to BGC Partners and/or Cantor and their respective representatives. See “—Potential Conflicts of Interest and Competition Among Cantor, BGC and Newmark.”

#### ***Parity of Interests***

The BGC Holdings limited partnership agreement provides that it is the non-binding intention of BGC Holdings and each of the partners of BGC Holdings that the BGC Holdings ratio at all times equals one. It is the non-binding intention of each of the partners of BGC Holdings and of BGC Holdings that there be a parallel issuance or repurchase transaction by BGC Holdings in the event of any issuance or repurchase by BGC U.S. OpCo of BGC U.S. OpCo units to or held by BGC Holdings so that the BGC Holdings ratio at all times equals one. In August 2008, we were authorized to cause BGC Holdings to issue REUs in connection with acquisitions and to provide for such acquisitions to be done in only one of BGC U.S. OpCo or BGC Global OpCo when appropriate. In such event, we are authorized to break parity with respect to outstanding units in such entities, although no decision to do so has been made at this time.

#### **Second Amended and Restated Limited Partnership Agreements of BGC U.S. OpCo and BGC Global OpCo**

Effective as of December 13, 2017, each of BGC U.S. OpCo and BGC Global OpCo entered into a Second Amended and Restated Limited Partnership Agreement. The Second Amended and Restated Limited Partnership Agreements of each of BGC U.S. OpCo and BGC Global OpCo provide that, at our election, in connection with a repurchase of our Class A common stock or similar actions, BGC U.S. OpCo and BGC Global OpCo will redeem and repurchase from us a number of units in BGC U.S. OpCo and BGC Global OpCo equivalent to the number of shares of Class A common stock repurchased by us in exchange for cash in the amount of the gross proceeds to be paid in connection with such stock repurchase. The proportion of such amount to be paid by BGC U.S. OpCo or BGC Global OpCo will be determined by BGC Partners. Certain technical amendments were also made to conform such limited partnership agreements to the BGC Holdings limited partnership agreement.

#### ***Management***

BGC U.S. OpCo and BGC Global OpCo each are managed by their general partner, which is BGC Holdings. BGC Holdings, in turn, holds the BGC U.S. OpCo general partnership interest and the BGC U.S. OpCo special voting limited partnership interest, which entitles the holder thereof to remove and appoint the general partner of BGC U.S. OpCo, and the BGC Global OpCo general partnership interest and the BGC Global OpCo special voting limited partnership interest, which entitles the holder thereof to remove and appoint the general partner of BGC Global OpCo, and serves as the general partner of each of BGC U.S. OpCo and BGC Global OpCo, which entitles BGC Holdings (and thereby, BGC Partners) to control each of BGC U.S. OpCo and BGC Global OpCo, subject to limited consent rights of Cantor and to the rights of BGC Holdings as the special voting limited partner. BGC Holdings holds its BGC U.S. OpCo general partnership interest through a Delaware limited liability company, BGC Holdings, LLC, and holds its BGC Global OpCo general partnership interest through a company incorporated in the Cayman Islands, BGC Global OpCo Holdings GP Limited.



“Cantor’s consent rights” means that BGC Holdings, in its capacity as general partner of each of BGC U.S. OpCo and BGC Global OpCo, is required to obtain Cantor’s consent to amend the terms of the BGC U.S. OpCo limited partnership agreement or BGC Global OpCo limited partnership agreement or take any other action that may adversely affect Cantor’s exercise of its co-investment rights to acquire BGC Holdings limited partnership interests (and the corresponding investment in BGC U.S. OpCo and BGC Global OpCo by BGC Holdings) or right to exchange BGC Holdings exchangeable limited partnership interests. BGC Partners, in its capacity as the general partner of BGC Holdings, will not cause BGC Holdings, in its capacity as the general partner of BGC U.S. OpCo and BGC Global OpCo, to make any amendments (other than ministerial or other immaterial amendments) to the limited partnership agreement of either BGC U.S. OpCo or BGC Global OpCo unless such action is approved by a majority of BGC Partners’ independent directors.

### ***Classes of Interests in the OpCos***

As of the date hereof, BGC U.S. OpCo and BGC Global OpCo each had the following outstanding interests:

- a general partnership interest, which is held by BGC Holdings;
- limited partnership interests, which are directly and indirectly held by BGC Partners and BGC Holdings; and
- a special voting limited partnership interest, which is held by BGC Holdings and which entitles the holder thereof to remove and appoint the general partner of BGC U.S. OpCo or BGC Global OpCo, as the case may be.

The general partner shall determine the aggregate number of authorized units in each of BGC U.S. OpCo and BGC Global OpCo.

Any authorized but unissued BGC U.S. OpCo units or BGC Global OpCo units, as the case may be, may be issued:

- to BGC Partners and/or BGC Holdings and members of their group, as the case may be, in connection with an investment in BGC U.S. OpCo and BGC Global OpCo;
- to BGC Holdings or members of its group in connection with a redemption pursuant to the BGC Holdings limited partnership agreement as described in “—Second Amended and Restated BGC Holdings Limited Partnership Agreement—Redemption of BGC Holdings Founding/Working Partner Interests and Limited Partnership Units”;
- as otherwise agreed by each of the general partner and the limited partners (by affirmative vote of the limited partners holding a majority of the units underlying limited partnership interests outstanding of BGC U.S. OpCo or BGC Global OpCo, as the case may be (except that if BGC Holdings and its group holds a majority in interest and Cantor and its group holds a majority of units underlying the BGC Holdings exchangeable limited partnership interests, then majority of interest means Cantor), which we refer to as an “OpCos majority in interest”;
- to BGC Partners or BGC Holdings in connection with a grant of equity by BGC Partners or BGC Holdings; and
- to any BGC U.S. OpCo or BGC Global OpCo partner, as the case may be, in connection with a conversion of an issued unit and interest into a different class or type of unit and interest.

There will be no additional classes of partnership interests in BGC U.S. OpCo or BGC Global OpCo.

### ***Distributions***

The profit and loss of BGC U.S. OpCo and BGC Global OpCo are generally allocated based on the total number of BGC U.S. OpCo units and BGC Global OpCo units outstanding, other than in the case of certain litigation matters, the impact of which is allocated to the BGC U.S. OpCo and BGC Global OpCo partners who are members of the BGC Holdings group.



BGC U.S. OpCo and BGC Global OpCo each distribute to each of its partners (subject to the allocation of certain litigation matters to BGC U.S. OpCo and BGC Global OpCo partners, as the case may be, who are members of the BGC Holdings group):

- on or prior to each estimated tax due date (the 15th day of each April, June, September and December, in the case of a partner that is not an individual, and the 15th day of each April, June, September and January in the case of a partner who is an individual, or, in each case, if earlier with respect to any quarter, the date on which BGC Partners is required to make an estimated tax payment), such partner's estimated proportionate quarterly tax distribution for such fiscal quarter;
- on or prior to each estimated tax due date for partners who are members of the BGC Holdings group, an amount (positive or negative) for such fiscal quarter in respect of items of income, gain, loss or deduction allocated in respect of certain litigation matters; and
- as promptly as practicable after the end of each fiscal quarter (or on such other date and time as determined by the general partner), an amount equal to (a) all amounts allocated to such partner's capital account with respect to such quarter pursuant to the BGC U.S. OpCo limited partnership agreement or BGC Global OpCo limited partnership agreement, as the case may be, after the date of such agreement over (b) the amount of any prior distributions to such partner so long as such reduction does not bring the amount below zero.

BGC U.S. OpCo or BGC Global OpCo, as the case may be, may, with the prior written consent of the holders of an OpCos majority in interest of the limited partnership interests, decrease the total amount distributed by BGC U.S. OpCo or BGC Global OpCo, as the case may be. In addition, if BGC U.S. OpCo or BGC Global OpCo, as the case may be, is unable to make the distributions required above as a result of any losses of the OpCos arising from the certain litigation claims, then BGC U.S. OpCo or BGC Global OpCo, as the case may be, will 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 potential litigation claims and to make the estimated proportionate quarterly tax distribution to the Cantor group. The borrowing costs of any such borrowing will be treated as part of such potential litigation claims.

The limited partnership agreements of BGC U.S. OpCo and BGC Global OpCo also provide that at the election of BGC Partners, in connection with a repurchase of its Class A common stock or similar actions, BGC U.S. OpCo and BGC Global OpCo may redeem and repurchase from BGC Partners a number of units equivalent to the number of shares of common stock repurchased by BGC Partners in exchange for cash in the amount of the gross proceeds to be paid in connection with such stock repurchase. The proportion of such amount to be paid by BGC U.S. OpCo and BGC Global OpCo shall be determined by BGC Partners.

### ***Transfers of Interests***

In general, subject to the exceptions described below, no BGC U.S. OpCo partner or BGC Global OpCo partner, as the case may be, may transfer or agree to transfer all or any portion of, or any rights, title and interest in and to, its interest in BGC U.S. OpCo or BGC Global OpCo, as the case may be.

Limited partners of BGC U.S. OpCo and BGC Global OpCo may transfer their limited partnership interests in the following circumstances:

- if the transferee limited partner will be a member of the BGC Partners group or the BGC Holdings group; or
- with the prior written consent of the general partner and the limited partners (by affirmative vote of an OpCos majority in interest, not to be unreasonably withheld or delayed).

The special voting limited partner may transfer the special voting limited partnership interest in connection with the contribution and the BGC separation or to a wholly-owned subsidiary of BGC Holdings (except that in the event such transferee ceases to be a



wholly-owned subsidiary of BGC Holdings, the special voting partnership interest will automatically be transferred to BGC Holdings, without any further action required on the part of BGC U.S. OpCo or BGC Global OpCo, as the case may be, BGC Holdings or any other person).

The general partner may transfer its general partnership interest in the following circumstances:

- to a new general partner; or
- with the special voting limited partner's prior written consent.

The special voting limited partner may in its sole and absolute discretion remove any general partner, with or without cause. The general partner may resign as the general partner of BGC U.S. OpCo or BGC Global OpCo, as the case may be, for any reason, or for no reason whatsoever, except that as a condition to any removal or resignation, the special voting limited partner will first appoint a new general partner who will be admitted to BGC U.S. OpCo or BGC Global OpCo, as the case may be, and the resigning or removed general partner will transfer its entire general partnership interest to the new general partner.

No partner may charge or encumber its BGC U.S. OpCo or BGC Global OpCo interest, as the case may be, or otherwise subject such interest to any encumbrance, except those created by the BGC U.S. OpCo limited partnership agreement or BGC Global OpCo limited partnership agreement, as the case may be.

#### ***Amendments***

Each of the BGC U.S. OpCo and BGC Global OpCo limited partnership agreements cannot be amended except with the approval of each of the general partner and the limited partners (by the affirmative vote of an OpCos majority in interest) of BGC U.S. OpCo or BGC Global OpCo, as the case may be. In addition, each of the BGC U.S. OpCo and BGC Global OpCo limited partnership agreements cannot be amended to:

- 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;
- alter the interest of any partner in the amount or timing of distributions or the allocation of profits, losses or credits, if such alteration would either materially adversely affect the economic interest of a partner or would materially adversely affect the value of interests, without the consent of the partners holding at least two-thirds of all units, in the case of an amendment applying in substantially similar manner to all classes of interests, or two-thirds in interest of the affected class or classes of the partners, in the case of any other amendment; or
- alter the special voting limited partner's ability to remove a general partner.

The general partner of BGC U.S. OpCo or BGC Global OpCo, as the case may be, may authorize any amendment to correct any technically incorrect statement or error in order to further the parties' intent or to correct any formality or error or defect in the execution of the BGC U.S. OpCo or BGC Global OpCo limited partnership agreement, as the case may be.

#### ***Corporate Opportunity; Fiduciary Duty***

The BGC U.S. OpCo limited partnership agreement and BGC Global OpCo limited partnership agreement contain similar corporate opportunity provisions to those included in the BGC Partners certificate of incorporation with respect to BGC Partners and/



or BGC Holdings and their respective representatives. See “—Potential Conflicts of Interest and Competition Among Cantor, BGC and Newmark.”

### ***Parity of Interests***

The BGC U.S. OpCo limited partnership agreement and BGC Global OpCo limited partnership agreement provide that it is the non-binding intention of each of the partners of BGC U.S. OpCo and BGC Global OpCo and each of BGC Global OpCo and BGC U.S. OpCo that the number of outstanding BGC U.S. OpCo units equals the number of outstanding BGC Global OpCo units except with respect to units issued in connection with acquisitions. It is the non-binding intention of each of the partners of BGC U.S. OpCo and BGC Global OpCo and each of BGC Global OpCo and BGC U.S. OpCo that there be a parallel issuance or repurchase transaction by BGC U.S. OpCo or BGC Global OpCo in the event of any issuance or repurchase by the other OpCo other than in the event of an acquisition so that the number of outstanding BGC U.S. OpCo units at all times equals the number of outstanding BGC Global OpCo units.

At the Company’s election, in connection with a repurchase of our Class A common stock or similar actions, BGC U.S. OpCo and BGC Global OpCo will redeem and repurchase from the Company a number of units in BGC U.S. OpCo and BGC Global OpCo equivalent to the number of shares of Class A common stock repurchased by the Company in exchange for cash in the amount of the gross proceeds to be paid in connection with such stock repurchase. The proportion of such amount to be paid by BGC U.S. OpCo or BGC Global OpCo will be determined by BGC Partners.

### ***Tax Matters Agreement***

On December 13, 2017, BGC Partners, BGC Holdings, BGC U.S. OpCo, Newmark, Newmark Holdings and Newmark OpCo entered into a tax matters agreement in connection with the Separation that governs the parties’ respective rights, responsibilities and obligations after the Separation with respect to taxes (including taxes arising in the ordinary course of business and taxes, if any, incurred as a result of any failure of the Spin-Off and certain related transactions to qualify as tax-free for U.S. federal income tax purposes), tax attributes and tax benefits, the preparation and filing of tax returns, the control of audits and other tax proceedings, tax elections, assistance and cooperation in respect of tax matters, procedures and restrictions relating to the Spin-Off, if any, and certain other tax matters.

In addition, the tax matters agreement imposes certain restrictions on Newmark and its subsidiaries (including restrictions on share issuances, business combinations, sales of assets and similar transactions) that will be designed to preserve the tax-free status of the Spin-Off and certain related transactions. The tax matters agreement provides special rules to allocate tax liabilities in the event the Spin-Off, together with certain related transactions, is not tax-free, as well as any tax liabilities incurred in connection with the Separation. In general, under the tax matters agreement, each party is expected to be responsible for any taxes imposed on BGC Partners or Newmark that arise from the failure of the Spin-Off, together with certain related transactions, to qualify as a transaction that is generally tax-free, for U.S. federal income tax purposes, under Sections 355 and 368(a)(1)(D) and certain other relevant provisions of the Code, to the extent that the failure to so qualify is attributable to actions, events or transactions relating to such party’s respective stock, assets or business, or a breach of the relevant representations or covenants made by that party in the tax matters agreement.

### ***Amended and Restated Tax Receivable Agreement***

We are party to a tax receivable agreement with Cantor that was entered into on March 31, 2008, in connection with the transactions contemplated by the BGC separation agreement, and was amended and restated on December 13, 2017, in connection



with the Newmark IPO. Certain interests in BGC Holdings may, in effect, be exchanged in the future for shares of BGC Partners Class A common stock or BGC Partners Class B common stock on a one-for-one basis (subject to customary anti-dilution adjustments). The exchanges may result in increases to our share of the tax basis of the tangible and intangible assets of each of BGC U.S. OpCo and BGC Global OpCo and, so long as Newmark remains a consolidated subsidiary Newmark OpCo that otherwise would not have been available, although the Internal Revenue Service may challenge all or part of that tax basis increase, and a court could sustain such a challenge by the Internal Revenue Service. These increases in tax basis, if sustained, may reduce the amount of tax that we would otherwise be required to pay in the future.

The tax receivable agreement provides for the payment by us to Cantor of 85% of the amount of cash savings, if any, in U.S. federal, state and local income tax or franchise tax that we actually realize as a result of these increases in tax basis and of certain other tax benefits related to its entering into the tax receivable agreement, including tax benefits attributable to payments under the tax receivable agreement. It is expected that we will benefit from the remaining 15% of cash savings, if any, in income tax that we realize. Pursuant to the tax receivable agreement, we will determine, after consultation with Cantor, the extent to which we are permitted to claim any such tax benefits, and such tax benefits will be taken into account in computing any cash savings so long as our accountants agree that it is at least more likely than not that such tax benefit is available. Cantor has not exercised this right to date, but there can be no assurance that it will not do so in the future.

Pursuant to the tax receivable agreement, 20% of each payment that would otherwise be made by us will be deposited into an escrow account until the expiration of the statute of limitations for the tax year to which the payment relates. If the Internal Revenue Service successfully challenges the availability of any tax benefit and determines that a tax benefit is not available, we will be entitled to receive reimbursements from Cantor for amounts we previously paid under the tax receivable agreement and Cantor will indemnify us and hold us harmless with respect to any interest or penalties and any other losses in respect of the disallowance of any deductions which gave rise to the payment under the tax receivable agreement (together with reasonable attorneys' and accountants' fees incurred in connection with any related tax contest, but the indemnity for such reasonable attorneys' and accountants' fees shall only apply to the extent Cantor is permitted to control such contest). Any such reimbursement or indemnification payment will be satisfied first from the escrow account (to the extent funded in respect of such payments under the tax receivable agreement).

For purposes of the tax receivable agreement, cash savings in income and franchise tax will be computed by comparing our actual income and franchise tax liability to the amount of such taxes that we would have been required to pay had there been no depreciation or amortization deductions available to us that were attributable to an increase in tax basis (or any imputed interest) as a result of an exchange and had we not entered into the tax receivable agreement. The tax receivable will continue in effect until all tax benefits covered thereby have been utilized or expired, unless we (with the approval by a majority of our independent directors) exercise our right to terminate the tax receivable agreement for an amount based on an agreed value of payments remaining to be made under the agreement, provided that if Cantor and we cannot agree upon a value, the agreement will remain in full force and effect. The actual amount and timing of any payment under the tax receivable agreement will vary depending on a number of factors, including the timing of exchanges, the extent to which such exchanges are taxable and the amount and timing of our income.

Any amendment to the tax receivable agreement will be subject to approval by a majority of our independent directors. The amendment and restatement of the tax receivable agreement in December of 2017 was approved by the majority of our independent directors.

## **Potential Conflicts of Interest and Competition Among Cantor, BGC and Newmark**

### ***General***

Various conflicts of interest between us, Newmark and Cantor may arise in the future in a number of areas relating to our past and ongoing relationships, including potential acquisitions of businesses or properties, the election of new directors, payment of



dividends, incurrence of indebtedness, tax matters, financial commitments, marketing functions, indemnity arrangements, service arrangements, issuances of capital stock, sales or distributions of shares of our common stock and the exercise by Cantor of control over BGC's and Newmark's management and affairs.

Conflicts of interest may arise between and among BGC, Newmark and Cantor in a number of areas relating to each of their past and ongoing relationships, including:

- potential acquisitions and dispositions of businesses;
- the issuance or disposition of securities;
- the election of new or additional directors to the board of directors of either BGC or Newmark;
- the payment of dividends by either BGC or Newmark (if any), distribution of profits by BGC U.S., BGC Global and/or BGC Holdings or Newmark OpCo and/or Newmark Holdings, as applicable, and repurchases of shares of either company's common stock or purchases of BGC Holdings or Newmark Holdings limited partnership interests or other equity interests in subsidiaries of either BGC or Newmark, as applicable, including from Cantor, BGC or executive officers of BGC or Newmark, other employees, partners and others, as applicable;
- business operations or business opportunities of BGC, Newmark and Cantor that would compete with the other party's business opportunities;
- intellectual property matters;
- business combinations involving BGC or Newmark;
- conflicts between BGC's agency trading for primary and secondary bond sales and Cantor's investment banking bond origination business;
- competition between BGC's and Cantor's other equity derivatives and cash equity inter-dealer brokerage businesses;
- the terms of the Separation and Distribution agreement and the ancillary agreements BGC and Newmark entered into in connection with the Separation;
- the nature, quality and pricing of administrative services to be provided by BGC, Cantor and/or Tower Bridge;
- potential and existing loan arrangements; and
- provision of clearing capital pursuant to the Clearing Agreement and potential and existing loan arrangements.

We also expect that Cantor will manage its ownership of BGC and Newmark so that no company will be deemed to be an investment company under the Investment Company Act, including by maintaining its voting power in BGC and/or Newmark, as applicable, above a majority absent an applicable exemption from the Investment Company Act. This may result in conflicts with BGC and/or Newmark, including those relating to acquisitions or offerings by BGC and/or Newmark involving issuances of shares of common stock, or securities convertible or exchangeable into shares of common stock, that would dilute the voting power in BGC of the holders of BGC Holdings exchangeable limited partnership interests and in Newmark of the holders of Newmark Holdings exchangeable limited partnership interests.



Moreover, the service of officers or partners of Cantor as our executive officers and directors and of officers or partners of BGC Partners or Cantor as Newmark's executive officers and directors, and those persons' ownership interests in and payments from BGC Partners or Cantor and their respective affiliates, as applicable, could create conflicts of interest when Newmark and those directors or executive officers are faced with decisions that could have different implications for BGC and/or Newmark and them.

For purposes of the below:

- "BGC Partners Company" means BGC Partners or any of its affiliates (other than, if applicable, Newmark and Newmark's subsidiaries);
- "Newmark Company" means Newmark or any of its affiliates;
- "representatives" means, with respect to any person, the directors, officers, employees, general partners or managing member of such person; and
- "corporate opportunity" means any business opportunity that BGC or Newmark, respectively, are financially able to undertake, that is, from its nature, in BGC's or Newmark's lines of business, respectively, is of practical advantage to BGC or Newmark, respectively, and is one in which BGC or Newmark, respectively has an interest or a reasonable expectancy, and in which, by embracing the opportunities, the self-interest of a BGC Partners Company, a Newmark Company or a Cantor Company or any of their respective representatives, as the case may be, will be brought into conflict with one another's self-interest.

#### ***Related to BGC Partners***

Cantor will continue to exercise control over our management and affairs and all matters requiring stockholder approval, including the election of our directors and determinations with respect to acquisitions and dispositions, as well as material expansions or contractions of our business, entry into new lines of business and borrowings and issuances of our common stock or other securities. This control will be subject to the approval of our independent directors on those matters requiring such approval. Cantor's voting power may also have the effect of delaying or preventing a change of control of the Company. This control will also be exercised because:

- Cantor is, in turn, controlled by CFGM, its managing general partner, and, ultimately, by Mr. Lutnick, who serves as our Chief Executive Officer and Chairman of the Board of Directors. Mr. Lutnick is also the Chairman of the Board and Chief Executive Officer of Cantor and the President and controlling stockholder of CFGM;
- Mr. Merkel, who serves as our Executive Vice President and General Counsel, is employed as Executive Managing Director, General Counsel and Secretary of Cantor; and
- Mr. Bisgay, who served as our Chief Financial Officer until June 6, 2022, is also Chief Financial Officer of Cantor.

Messrs. Lutnick, Merkel and Bisgay have holdings in Cantor through partnership unit ownership, including distribution rights.

In addition, Cantor has from time to time in the past considered possible strategic realignments of its business and the business relationships that exist between and among Cantor and the businesses comprising our Company and may do so in the future. Any future related-party transactions or arrangements between us and Cantor, until Cantor ceases to hold 5% of our voting power, are subject to the prior approval by a majority of our independent directors, but generally will not otherwise require the separate approval of our stockholders, and if such approval were required, Cantor would retain sufficient voting power to provide any such requisite approval without the affirmative consent of the other stockholders.





Agreements and other arrangements with Cantor and/or Newmark may be amended upon agreement of the parties to those agreements and approval of our audit committee. During the time that we are controlled by Cantor, Cantor may be able to require us to agree to amendments to these agreements. We may not be able to resolve any potential conflicts and, even if we do, the resolution may be less favorable to us than if we were dealing with an unaffiliated party. As a result, the prices charged to or by us for services provided under agreements with Cantor may be higher or lower than prices that may be charged to or by third parties, and the terms of these agreements may be more or less favorable to us than those that we could have negotiated with third parties.

In order to address potential conflicts of interest between Cantor and its representatives and us, our certificate of incorporation contains provisions regulating and defining the conduct of our affairs as they may involve Cantor and its representatives, and our powers, rights, duties and liabilities and those of our representatives in connection with our relationship with Cantor and its affiliates, officers, directors, general partners or employees. Our certificate of incorporation provides that no Cantor Company, as defined in our certificate of incorporation, or any of the representatives, as defined in our certificate of incorporation, of a Cantor Company will owe any fiduciary duty to, nor will any Cantor Company or any of their respective representatives be liable for breach of fiduciary duty to, us or any of our stockholders, including with respect to corporate opportunities. The corporate opportunity policy that is included in our certificate of incorporation is designed to resolve potential conflicts of interest between us and our representatives and Cantor and its representatives.

If a third party presents a corporate opportunity (as defined below) to a person who is a representative of ours and a representative of a Cantor Company, expressly and solely in such person's capacity as a representative of us, and such person acts in good faith in a manner consistent with the policy that such corporate opportunity belongs to us, then such person:

- will be deemed to have fully satisfied and fulfilled any fiduciary duty that person has to us;
- will not be liable to us or any of our stockholders for breach of fiduciary duty by reason of such person's action or inaction with respect to the corporate opportunity;
- will be deemed to have acted in good faith and in a manner that such person reasonably believed to be in, and not opposed to, our best interests; and
- will be deemed not to have breached such person's duty of loyalty to us and our stockholders, and not to have derived an improper personal benefit therefrom.

A Cantor Company may pursue such a corporate opportunity if we decide not to.

If a corporate opportunity is not presented to a person who is both a representative of ours and a representative of a Cantor Company and, expressly and solely in such person's capacity as a representative of us, such person will not be obligated to present the corporate opportunity to us or to act as if such corporate opportunity belongs to us, and such person:

- will be deemed to have fully satisfied and fulfilled any fiduciary duty that such person has to us as a representative of us with respect to such corporate opportunity;
- will not be liable to us or any of our stockholders for breach of fiduciary duty by reason of such person's action or inaction with respect to such corporate opportunity;
- will be deemed to have acted in good faith and in a manner that such person reasonably believed to be in, and not opposed to, our best interests; and
- will be deemed not to have breached a duty of loyalty to us and our stockholders and not to have derived an improper personal benefit therefrom.



No contract, agreement, arrangement or transaction between any BGC Partners Company, any Newmark Company, any Cantor Company or any of their respective representatives, on the one hand, and BGC or any of BGC's representatives, on the other hand, will be void or voidable solely because any BGC Partners Company, Newmark Company, any Cantor Company or any of their respective representatives has a direct or indirect interest in such contract, agreement, arrangement or transaction, and any BGC Partners Company, Newmark Company, any Cantor Company or any of their respective representatives (i) shall have fully satisfied and fulfilled its duties and obligations to BGC and BGC's stockholders with respect thereto; and (ii) shall not be liable to BGC or BGC's stockholders for any breach of any duty or obligation by reason of the entering into, performance or consummation of any such contract, agreement, arrangement or transaction, if:

- such contract, agreement, arrangement or transaction is approved by BGC's Board of Directors or any committee thereof by the affirmative vote of a majority of the disinterested directors, even if the disinterested directors constitute less than a quorum;
- such contract, agreement, arrangement or transaction is approved by BGC's stockholders by the affirmative vote of a majority of the voting power of all of Newmark's outstanding shares of capital stock entitled to vote thereon, excluding from such calculation shares of capital stock that are beneficially owned (as such term is defined in Rule 16a-1(a)(2) promulgated by the SEC under the Exchange Act) by a BGC Partners Company, a Newmark Company, or a Cantor Company, respectively; or
- such contract, agreement, arrangement or transaction, judged according to the circumstances at the time of the commitment, is fair to us.

While the satisfaction of the foregoing conditions shall be sufficient to show that any BGC Partners Company, any Newmark Company, any Cantor Company or any of their respective representatives (i) shall have fully satisfied and fulfilled its duties and obligations to BGC and BGC's stockholders with respect thereto; and (ii) shall not be liable to BGC or BGC's stockholders for any breach of any duty or obligation by reason of the entering into, performance or consummation of any such contract, agreement, arrangement or transaction, none of the foregoing conditions shall be required to be satisfied for such showing.

BGC's directors who are also directors or officers of any BGC Partners Company, any Newmark Company, any Cantor Company or any of their respective representatives may be counted in determining the presence of a quorum at a meeting of our Board of Directors or of a committee that authorizes such contract, agreement, arrangement or transaction. Shares of our common stock owned by any BGC Partners Company, any Newmark Company, any Cantor Company or any of their respective representatives may be counted in determining the presence of a quorum at a meeting of stockholders called to authorize such contract, agreement, arrangement or transaction. Our directors who are also directors or officers of any BGC Partners Company, any Newmark Company, any Cantor Company or any of their respective representatives shall not owe or be liable for breach of any fiduciary duty to BGC or any of BGC's stockholders for any action taken by any BGC Partners Company, any Newmark Company, any Cantor Company or their respective representatives, in their capacity as BGC's stockholder or affiliate.

#### ***Related to Newmark***

Various conflicts of interest between and among Newmark, BGC Partners and Cantor may arise in the future in a number of areas relating to Newmark's past and ongoing relationships, including potential acquisitions of businesses or properties, the election of new directors, payment of dividends, incurrence of indebtedness, tax matters, financial commitments, marketing functions, indemnity arrangements, service arrangements, issuances of capital stock, sales or distributions of shares of Newmark's common stock and the exercise by Cantor of control over Newmark's management and affairs.

Cantor will be able to exercise control over Newmark's management and affairs and all matters requiring stockholder approval, including the election of Newmark's directors and determinations with respect to acquisitions and dispositions, as well as material



expansions or contractions of Newmark's business, entry into new lines of business and borrowings and issuances of Newmark's common stock or other securities. Cantor's voting power may also have the effect of delaying or preventing a change of control of Newmark. This control will also be exercised because Cantor is, in turn, controlled by CFGM, its managing general partner, and, ultimately, by Mr. Lutnick, who serves as Newmark's Chairman. Mr. Lutnick is also the Chairman of the Board of Directors and Chief Executive Officer of BGC Partners and Cantor and the Chairman and Chief Executive Officer of CFGM as well as the trustee of an entity that is the sole shareholder of CFGM. Mr. Merkel, who serves as Executive Managing Director, General Counsel and Secretary of Cantor, also services as Newmark's Executive Vice President and Chief Legal Officer.

In addition, each of BGC Partners and Cantor has from time to time in the past and may in the future consider possible strategic realignments of its own businesses and/or of the relationships that exist between and among BGC Partners and/or Cantor and their other respective affiliates and us. Any future material related-party transaction or arrangement between BGC Partners and/or Cantor and their other respective affiliates and Newmark is subject to the prior approval by Newmark's Audit Committee, but generally does not require the separate approval of Newmark's stockholders, and if such stockholder approval is required, Cantor may retain sufficient voting power to provide any such requisite approval without the affirmative consent of Newmark's other stockholders.

Newmark's agreements and other arrangements with BGC Partners and Cantor, including the Separation and Distribution Agreement, may be amended upon agreement of the parties to those agreements and approval of Newmark's Audit Committee. During the time that Newmark is controlled by Cantor, Cantor may be able to require Newmark to agree to amendments to these agreements. Newmark may not be able to resolve any potential conflicts, and, even if Newmark does, the resolution may be less favorable to Newmark than if Newmark were dealing with an unaffiliated party. As a result, the prices charged to or by Newmark for services provided under Newmark's agreements with BGC Partners and/or Cantor may be higher or lower than prices that may be charged to or by third parties, and the terms of these agreements may be more or less favorable to Newmark than those that Newmark could have negotiated with third parties.

In order to address potential conflicts of interest between or among BGC Partners, Cantor and their respective representatives and us, Newmark's certificate of incorporation contains provisions regulating and defining the conduct of Newmark's affairs as they may involve BGC Partners and/or Cantor and their respective representatives, and Newmark's powers, rights, duties and liabilities and those of Newmark's representatives in connection therewith. Newmark's certificate of incorporation provides that, to the greatest extent permitted by law, no Cantor Company or BGC Partners Company, each as defined below, or any of the representatives, as defined below, of a Cantor Company or BGC Partners Company will, in its capacity as Newmark's stockholder or affiliate, owe or be liable for breach of any fiduciary duty to Newmark or any of Newmark's stockholders. In addition, to the greatest extent permitted by law, none of any Cantor Company, BGC Partners Company or any of their respective representatives will owe any duty to refrain from engaging in the same or similar activities or lines of business as Newmark or Newmark's representatives or doing business with any of Newmark's or Newmark's representatives' clients or customers. If any Cantor Company, BGC Partners Company or any of their respective representatives acquires knowledge of a potential transaction or matter that may be a corporate opportunity (as defined below) for any such person, on the one hand, and Newmark or any of Newmark's representatives, on the other hand, such person will have no duty to communicate or offer such corporate opportunity to Newmark or any of Newmark's representatives, and will not be liable to us, any of Newmark's stockholders or any of Newmark's representatives for breach of any fiduciary duty by reason of the fact that they pursue or acquire such corporate opportunity for themselves, direct such corporate opportunity to another person or do not present such corporate opportunity to Newmark or any of Newmark's representatives, subject to the requirement described in the following sentence. If a third party presents a corporate opportunity to a person who is both Newmark's representative and a representative of a BGC Partners Company and/or a Cantor Company, expressly and solely in such person's capacity as Newmark's representative, and such person acts in good faith in a manner consistent with the policy that such corporate opportunity belongs to us, then such person will be deemed to have fully satisfied and fulfilled any fiduciary duty that such person has to Newmark as Newmark's representative with respect to such corporate opportunity, provided that any BGC Partners Company, any Cantor



Company or any of their respective representatives may pursue such corporate opportunity if Newmark decide not to pursue such corporate opportunity.

No contract, agreement, arrangement or transaction between any BGC Partners Company, any Cantor Company or any of their respective representatives, on the one hand, and Newmark or any of Newmark's representatives, on the other hand, will be void or voidable solely because any BGC Partners Company, any Cantor Company or any of their respective representatives has a direct or indirect interest in such contract, agreement, arrangement or transaction, and any BGC Partners Company, any Cantor Company or any of their respective representatives (i) shall have fully satisfied and fulfilled its duties and obligations to Newmark and Newmark's stockholders with respect thereto; and (ii) shall not be liable to Newmark or Newmark's stockholders for any breach of any duty or obligation by reason of the entering into, performance or consummation of any such contract, agreement, arrangement or transaction, if:

- such contract, agreement, arrangement or transaction is approved by Newmark's Board of Directors or any committee thereof by the affirmative vote of a majority of the disinterested directors, even if the disinterested directors constitute less than a quorum;
- such contract, agreement, arrangement or transaction is approved by Newmark's stockholders by the affirmative vote of a majority of the voting power of all of Newmark's outstanding shares of capital stock entitled to vote thereon, excluding from such calculation shares of capital stock that are beneficially owned (as such term is defined in Rule 16a-1(a)(2) promulgated by the SEC under the Exchange Act by a BGC Partners Company or a Cantor Company, respectively; or
- such contract, agreement, arrangement or transaction, judged according to the circumstances at the time of the commitment, is fair to us.

While the satisfaction of the foregoing conditions shall be sufficient to show that any BGC Partners Company, any Cantor Company or any of their respective representatives (i) shall have fully satisfied and fulfilled its duties and obligations to Newmark and Newmark's stockholders with respect thereto; and (ii) shall not be liable to Newmark or Newmark's stockholders for any breach of any duty or obligation by reason of the entering into, performance or consummation of any such contract, agreement, arrangement or transaction, none of the foregoing conditions shall be required to be satisfied for such showing.

Newmark's directors who are also directors or officers of any BGC Partners Company, any Cantor Company or any of their respective representatives may be counted in determining the presence of a quorum at a meeting of Newmark's Board of Directors or of a committee that authorizes such contract, agreement, arrangement or transaction. Shares of Newmark's common stock owned by any BGC Partners Company, any Cantor Company or any of their respective representatives may be counted in determining the presence of a quorum at a meeting of stockholders called to authorize such contract, agreement, arrangement or transaction. Newmark's directors who are also directors or officers of any BGC Partners Company, any Cantor Company or any of their respective representatives shall not owe or be liable for breach of any fiduciary duty to Newmark or any of Newmark's stockholders for any action taken by any BGC Partners Company, any Cantor Company or their respective representatives, in their capacity as Newmark's stockholder or affiliate.

## Leases

We have offices in the United States, Canada, Europe, United Kingdom, Latin America, Asia, Africa and the Middle East. Our principal executive offices are located at 499 Park Avenue, New York, New York. We also occupy a space at 199 Water Street, New York, New York and space at 55 Water Street, New York, New York. Under the Administrative Services Agreement with Cantor, we are obligated to Cantor for our pro rata portion (based on square footage used) of rental expense during the terms of the leases for such spaces.



Our largest presence outside of the New York metropolitan area is in London, located at Five Churchill Place, London, E14 5RD.

We currently occupy concurrent computing centers in Weehawken, New Jersey, Secaucus, New Jersey and Trumbull, Connecticut. In addition, we occupy three data centers in the United Kingdom located in Canary Wharf, Romford and City of London, respectively. Our U.S. operations also have office space in Iselin, New Jersey, Palm Beach Gardens, Florida, Garden City, New York, Sugar Land, Texas, Louisville, Kentucky and Chicago, Illinois.

### **Derivative Suit**

The shareholder derivative suit concerning our 2017 acquisition of Berkeley Point Financial (as described below) has now been decided in favor of the defendants, with the Court issuing a post-trial decision denying the plaintiffs' causes of action and finding that the transaction was entirely fair to our shareholders.

On October 5, 2018, Roofers Local 149 Pension Fund filed a putative derivative complaint in the Delaware Chancery Court, captioned Roofers Local 149 Pension Fund vs. Howard Lutnick, et al. (Case No. 2018-0722), alleging breaches of fiduciary duty against (i) the members of the Board, (ii) Howard Lutnick, CFGM, and Cantor as controlling stockholders of BGC, and (iii) Howard Lutnick as an officer of BGC. The complaint challenges the transactions by which BGC (i) completed the acquisition of Berkeley Point Financial from CCRE for \$875 million and (ii) committed to invest \$100 million for a 27% interest in Real Estate, L.P. (collectively, the "Transaction"). Among other things, the complaint alleges that (i) the price BGC paid in connection with the Transaction was unfair, (ii) the process leading up to the Transaction was unfair, and (iii) the members of the special committee of the Board were not independent. It seeks to recover for the Company unquantified damages, as well as attorneys' fees.

A month later, on November 5, 2018, the same plaintiffs' firm filed an identical putative derivative complaint against the same defendants seeking the same relief on behalf of a second client, Northern California Pipe Trades Trust Funds. The cases were consolidated into a single action, captioned In re BGC Partners, Inc. Derivative Litigation (Consolidated C.A. No. 2018-0722-AGB), and the complaint filed by Roofers Local 149 Pension Fund on October 5, 2018 was designated as the operative complaint.

In response to motions to dismiss filed by all defendants in December 2018, plaintiffs filed a motion for leave to amend the operative complaint in February 2019, requesting that the Court allow them to supplement their allegations, which the Court granted. The amended complaint alleges the same purported breaches of fiduciary duty as the operative complaint, raises no new claims, and seeks identical relief, but includes additional allegations, including alleged reasons for plaintiffs' failure to make a demand on the Board, which was the basis of defendants' motion to dismiss. On March 19, 2019, all defendants filed motions to dismiss the amended complaints, again on demand grounds. On September 30, 2019, the Court denied defendants' motions to dismiss, permitting the case to move forward into discovery. In its ruling, the Court determined that the amended complaint sufficiently pled that plaintiffs were not required to make demand on the Board in order to file a derivative suit, but did not make findings of fact with respect to the underlying merits of plaintiffs' allegations concerning the Transaction. On February 11, 2021, following the close of discovery, the Company and the independent directors of the Board filed motions for summary judgment seeking dismissal of the case based on the discovery record, which plaintiffs opposed. Argument was held on defendants' summary judgment motions on June 22, 2021. On September 20, 2021, the Court partially granted the summary judgment motions, dismissing directors Stephen Curwood and Linda Bell and permitting the trial to move forward against the remaining defendants. A trial was held before Vice Chancellor Lori Will on October 11, 2021, which concluded on October 15, 2021. Following the close of the hearing, the parties submitted post-trial briefing and presented oral argument on March 2, 2022. On April 14, 2022, the Court requested limited additional briefing, which the parties submitted on May 13, 2022.

On August 19, 2022, the Court issued a post-trial memorandum opinion in favor of BGC, its directors, and controlling shareholders, ruling that the Transaction was entirely fair to BGC's shareholders with respect to both process and price. The Court



found that “Berkeley Point was, by all accounts, a unique asset particularly appealing to BGC” and that the price negotiated by the Special Committee of BGC’s board of directors and agreed to by Cantor was at the “lower end” of a range of reasonable prices. The Court further found the Special Committee was “independent, fully empowered, and well-functioning.” Final judgment in the case was entered for defendants and against the plaintiffs on September 27, 2022. Plaintiffs have notified the Court of their intent to appeal the memorandum opinion and final judgment.

BGC believes that any appeal of the Court’s final judgement would be without merit, and will continue to defend the case vigorously. However, as in any litigated matter, the outcome cannot be determined with certainty.

### **Transactions by Cantor with BGC in Equity Securities**

Our Board has determined that Cantor is a “deputized” director of the Company for purposes of Rule 16b-3 under the Exchange Act with respect to the transactions contemplated by the Separation and the Spin-Off and other transactions from time to time. Rule 16b-3 exempts from the short-swing profits liability provisions of Section 16(b) of the Exchange Act certain transactions in an issuer’s securities between the issuer or its majority-owned subsidiaries and its officers and directors if, among other things, the transaction is approved in advance by the issuer’s board of directors or a disinterested committee of the issuer’s board of directors. The Rule 16b-3 exemption extends to any such transactions by an entity beneficially owning more than 10% of a class of an issuer’s equity securities if the entity is a “deputized” director because it has a representative on the issuer’s Board of Directors. Our Board’s intent in determining that Cantor is a “deputized” director is that Cantor’s acquisitions or dispositions of shares of our common stock or interests in our common stock from or to us or their respective majority-owned subsidiaries will be eligible for the Rule 16b-3 exemption from the short-swing profits liability provisions of Section 16(b) of the Exchange Act.

### **BGC Sublease from Newmark**

In May 2020, BGC U.S. OpCo entered into an arrangement to sublease excess space from RKF Retail Holdings LLC, a subsidiary of Newmark, which sublease was approved by our Audit Committee. The deal was a one-year sublease of approximately 21,000 rentable square feet in New York City. Under the terms of the sublease, BGC U.S. OpCo paid a fixed rent amount of \$1.1 million in addition to all operating and tax expenses attributable to the lease. In May 2021, the sublease was amended to provide for a rate of \$15 thousand per month based on the size of utilized space, with terms extending on a month-to-month basis, which expired on December 31, 2021. In connection with the sublease, BGC U.S. OpCo paid \$0.5 million for the year ended December 31, 2021.

### **Stock and Unit Repurchase and Redemption Program**

Our Board and our Audit Committee have authorized repurchases of our Class A common stock and redemptions of BGC Holdings limited partnership interests or other equity interests in our subsidiaries, including from Cantor, our executive officers, other employees, partners and others, including Cantor employees and partners. On August 3, 2021, our Board and Audit Committee again renewed and increased the authorized repurchases of stock or units, including from Cantor employees and partners, to \$400.0 million. As of September 30, 2022, we had approximately \$107.7 million remaining under this authorization and may continue to actively make repurchases, or cease to make such repurchases, from time to time. On November 4, 2022, our Board and Audit Committee again renewed and increased the authorized repurchases of stock or units, including from Cantor employees and partners, to \$400.0 million.

### **Debt Repurchase Program**

Our Board and our Audit Committee have authorized repurchases of up to \$50.0 million of our 5.375% Senior Notes, 3.750% Senior Notes, 4.375% Senior Notes and any future debt securities issued by the Company (“Company Debt Securities”). Under the



authorization, we may make repurchases of Company Debt Securities for cash from time to time in the open market or in privately negotiated transactions upon such terms and at such prices as management may determine. Additionally, we are authorized to make any such repurchases of Company Debt Securities through CF&Co (or its affiliates), in its capacity as agent or principal, or such other broker-dealers as management shall determine to utilize from time to time, and such repurchases shall be subject to brokerage commissions which are no higher than standard market commission rates. As of September 30, 2022, we had approximately \$50.0 million remaining under this authorization and may continue to actively make repurchases, or cease to make such repurchases, from time to time.

### **CX Futures Transaction**

On June 7, 2021, our Board and Audit Committee approved entry into an agreement between certain affiliates of BGC and Cantor for the sale to BGC of Cantor's futures exchange and related clearinghouse (the "Futures Transaction"). On June 21, 2021, BGC entered into a Purchase Agreement with Cantor, providing that at closing BGC will purchase the direct and indirect equity of each of (i) CFLP CX Futures Exchange Holdings, LLC, (ii) CFLP CX Futures Exchange Holdings, L.P., (iii) CX Futures Exchange Holdings, LLC, (iv) CX Clearinghouse Holdings, LLC, (v) CX Futures Exchange, L.P. and (vi) CX Clearinghouse, L.P. (collectively, the "Futures Exchange Group"), for a purchase price of approximately \$4.9 million at closing, plus the cash held at closing by the Futures Exchange Group, and an earn-out, only payable out of BGC's portion of the profits of the Futures Exchange Group, capped at the amount Cantor contributed to the Futures Exchange Group prior to closing. The Futures Transaction closed on July 30, 2021.

### **Cantor and Aurel Revenue Sharing Agreement**

On June 24, 2021 our Board and Audit Committee authorized our French subsidiary, Aurel BGC SAS ("Aurel"), to enter into a revenue sharing agreement pursuant to which Cantor shall provide services to Aurel to support Aurel's investment banking activities with respect to its special purpose acquisition companies ("SPAC Investment Banking Activities"). The services provided by Cantor to Aurel in support of such SPAC Investment Banking Activities shall include referral of clients, structuring advice, financial advisory services, referral of investors, deal execution services, and other advisory services in support of Aurel's SPAC Investment Banking Activities pursuant to its French investment services license. As compensation, Cantor shall receive a revenue share of 80% of Aurel's net revenue attributable to SPAC Investment Banking Activities. The term of the revenue sharing agreement is for an initial period of 12 months, which automatically renews each year unless either party provides notice of termination at least three months prior to the anniversary. Aurel is also authorized to serve as bookrunner, underwriter or advisor in connection with French SPACs which are sponsored by Cantor at market rates for such services. For the year ended December 31, 2021, Aurel had \$2.5 million of revenue, and \$1.7 million of fees payable to Cantor attributable to SPAC Investment Banking Activities. For the nine months ended September 30, 2022, Aurel had no revenue or fees payable to Cantor attributable to SPAC Investment Banking Activities.

### **Other Newmark Transactions**

As of December 31, 2021, we recognized \$8.3 million payable to Newmark, which is included as part of "Payables to related parties" and "Accounts payable, accrued and other liabilities", respectively, in our consolidated statement of financial condition. The payable was a result of taxes paid by Newmark on its share of taxable income which were included as part of our consolidated tax return in the periods prior to the Spin-Off. On March 25, 2022, we settled the liability in full in the form of a cash payment to Newmark.

## **EXPENSES OF SOLICITATION**

The total cost of the proxy solicitation will be borne by us. In addition to the mails, proxies may be solicited by our directors and officers by personal interviews, telephone, or e-mail. It is anticipated that banks, brokerage houses and other custodians, nominees and





fiduciaries will forward soliciting material to the beneficial owners of shares of Common Equity entitled to vote at the Annual Meeting and that such persons will be reimbursed for their out-of-pocket expenses incurred in this connection. If you choose to access the proxy materials and/or vote on the Internet, you are responsible for Internet access charges you may incur.

## 2023 STOCKHOLDER PROPOSALS

If a stockholder desires to present a proposal for inclusion in next year's proxy statement for our 2023 annual meeting of stockholders (assuming such meeting were to take place on approximately the same date as the 2022 meeting), the proposal must be submitted in writing to us for receipt not later than August 3, 2023. Additionally, to be included in the 2023 proxy materials, proposals must comply with the proxy rules relating to stockholder proposals, in particular Rule 14a-8 under the Exchange Act. Stockholders who wish to raise a proposal, including nominations for the election of directors, for consideration at our 2023 annual meeting of stockholders, but who do not wish to submit the proposal for inclusion in our proxy materials pursuant to Rule 14a-8 under the Exchange Act, should comply with our Bylaws and deliver to us a copy of their proposal no later than August 3, 2023. In addition to satisfying the requirements of the advance notice provisions of our Bylaws, stockholders who intend to solicit proxies in support of director nominees other than our nominees must provide us with the information required by Rule 14a-19(b) under the Exchange Act no later than October 31, 2023. If a stockholder fails to provide such notice, the respective proposal need not be addressed in the proxy materials and the proxies may exercise their discretionary voting authority if the proposal is raised at the annual meeting. In either case, proposals should be sent to BGC Partners, Inc., 499 Park Avenue, 3rd Floor, New York, NY 10022, Attention: Corporate Secretary.





## **CERTAIN MATTERS RELATING TO PROXY MATERIALS AND ANNUAL REPORTS**

The Company may satisfy SEC rules regarding delivery of proxy materials by delivering a single copy of these materials to an address shared by two or more Company stockholders. This delivery method is referred to as “householding” and can result in meaningful cost savings for the Company. In order to take advantage of this opportunity, the Company will deliver only one proxy statement and annual report to multiple stockholders who share an address, and who do not participate in electronic delivery of proxy materials, unless contrary instructions are received from impacted stockholders prior to the mailing date.

We undertake to deliver promptly upon written or oral request a separate copy of the Proxy Statement and/or the 2021 Annual Report, as requested, to a stockholder at a shared address to which a single copy of these documents was delivered. If you hold stock as a registered stockholder and prefer to receive separate copies of the proxy statement or annual report either now or in the future, please contact the Company via the contact page at [ir.bgcpartners.com/Contact-Us/contact-us/default.aspx](http://ir.bgcpartners.com/Contact-Us/contact-us/default.aspx) or via phone at (212) 610-2426. If your stock is held through a broker or bank and you prefer to receive separate copies of the proxy statement or annual report either now or in the future, please contact such broker or bank.

## **SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Under the securities laws of the United States, our directors, executive officers and any person holding more than 10% of our Class A common stock are required to file initial forms of ownership of our Class A common stock and reports of changes in that ownership with the SEC. Based solely on our review of the copies of such forms received by us with respect to 2021 and 2022 through the date hereof, the Company believes that all reports were filed on a timely basis with respect to transactions in 2021 and 2022 through the date hereof, except that Mr. Merkel filed a late Form 4 on March 4, 2021 to report his spouse’s sale of Class A common stock on November 9, 2020 and Mr. Lutnick filed a one-day late Form 4 on July 1, 2021 to report (i) the exchange of exchangeable BGC Holdings units into Class A common stock and (ii) the grant of Class A common stock following the redemption of non-exchangeable BGC Holdings units on June 28, 2021. In addition, the initial Forms 3 and 4 of Arthur U. Mbanefo filed in October 2021 to report his initial RSU grants were filed 10 days late due to delays in obtaining SEC filing codes.



## CODE OF ETHICS AND WHISTLEBLOWER PROCEDURES

We have adopted the BGC Partners Code of Ethics, a code of ethics that applies to members of our Board, our executive officers, other officers and our covered employees globally. The Code of Ethics is publicly available on our website at <https://www.bgcpartners.com/esg/governance> under the heading “Code of Business Conduct & Ethics.” If we make any substantive amendments to the Code of Ethics or grant any waiver, including any implicit waiver, from a provision of the Code of Ethics to our directors or executive officers, we intend to disclose such amendment or waiver by posting information about such amendment or waiver on our website.

In accordance with the requirements of the Sarbanes-Oxley Act, the Audit Committee has established our whistleblower policy, which sets forth procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls, or auditing matters, and for the confidential, anonymous reporting of employee concerns regarding questionable accounting or auditing matters. The General Counsel and the Chairman of the Audit Committee will direct the investigation of any such complaints in accordance with the procedures. Our whistleblower policy is publicly available on our website at <https://www.bgcpartners.com/esg/governance/> under the heading “Whistleblower Policy.” Information available on our website is not incorporated herein by reference.

## MISCELLANEOUS

Our Board knows of no other business to be presented at the Annual Meeting. If, however, other matters properly do come before the Annual Meeting, it is intended that the proxies in the accompanying form will be voted thereon in accordance with the judgment of the person or persons holding such proxies.

**YOU ARE URGED TO CAST YOUR VOTE. PROMPT RESPONSE WILL GREATLY FACILITATE ARRANGEMENTS FOR THE ANNUAL MEETING, AND YOUR COOPERATION WILL BE APPRECIATED.**

By Order of the Board of Directors,

**CAROLINE A. KOSTER**  
Corporate Secretary

New York, NY  
December 1, 2022



BGC PARTNERS, INC.  
499 PARK AVENUE, 3RD FLOOR  
NEW YORK, NY 10022

#### VOTE BY INTERNET

Before The Meeting - Go to <https://www.proxyvote.com>

Use the Internet to transmit your voting instructions and for electronic delivery of information. Vote by 11:59 p.m. Eastern Time on December 29, 2022 for shares held directly and by 11:59 p.m. Eastern Time on December 27, 2022 for shares held in a Plan. Have your proxy card in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

During The Meeting - Go to <https://www.virtualshareholdermeeting.com/BGCP2022>

You may participate in the meeting via the Internet and vote during the meeting. Have the information that is printed in the box marked by the arrow available and follow the instructions. There will be NO physical location at which stockholders may attend the meeting.

#### VOTE BY PHONE – 1-800-690-6903

Use any touch-tone telephone to transmit your voting instructions. Vote by 11:59 p.m. Eastern Time on December 29, 2022 for shares held directly and by 11:59 p.m. Eastern Time on December 27, 2022 for shares held in a Plan. Have your proxy card in hand when you call and then follow the instructions.

#### VOTE BY MAIL

Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided or return it to Vote Processing, c/o Broadridge, 51 Mercedes Way, Edgewood, NY 11717.

TO VOTE, MARK BLOCKS BELOW IN BLUE OR BLACK INK AS FOLLOWS:

D61506-P62841

KEEP THIS PORTION FOR YOUR RECORDS

DETACH AND RETURN THIS PORTION ONLY

THIS PROXY CARD IS VALID ONLY WHEN SIGNED AND DATED.

#### BGC PARTNERS, INC.

The Board of Directors recommends you vote FOR the following:

1. Election of Directors

For All Withhold All For All Except

☐ ☐ ☐

To withhold authority to vote for any individual nominee(s), mark “For All Except” and write the number(s) of the nominee(s) on the line below.

#### Nominees:

- 01) Howard W. Lutnick 04) Linda A. Bell  
02) David P. Richards  
03) Arthur U. Mbanefo

The Board of Directors recommends you vote FOR the following:

2. Approval of the ratification of Ernst & Young LLP as the Company’s Independent Registered Public Accounting Firm for fiscal year 2022.  
3. Approval, on an advisory basis, of executive compensation.

For Against Abstain

☐ ☐ ☐  
☐ ☐ ☐

**NOTE:** To vote by mail, please sign, date and return a proxy card using the enclosed envelope. To vote by Internet, please visit <https://www.proxyvote.com>, and follow the instructions. To vote by telephone, call 1-800-690-6903 and then follow the instructions. In addition, the proxy holders may vote in their discretion on such other business as may properly come before the meeting or any adjournment or postponement thereof.

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All owners must sign. If a corporation or partnership, please sign in full corporate or partnership name by authorized officer.

Signature [PLEASE SIGN WITHIN BOX] Date

Signature (Joint Owners) Date

**Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting:**

The Proxy Statement, the 2021 Annual Report and voting instructions are available at  
*<https://www.proxyvote.com>.*

**BGC PARTNERS, INC.**  
**2022 Annual Meeting of Stockholders - December 30, 2022**

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 \$0.01 per share) and Class B common stock (par value \$0.01 per share) of BGC Partners, Inc. (the "Company") that the undersigned is entitled to vote at the 2022 Annual Meeting of Stockholders of the Company to be held on December 30, 2022, commencing at 1:00 p.m. (Eastern 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 ELECTION OF ALL LISTED NOMINEES AS DIRECTORS, "FOR" PROPOSAL 2, AND "FOR" PROPOSAL 3.**

**Continued and to be signed on reverse side**