

**LaBRANCHE & CO INC.**

**AMENDED AND RESTATED**

**COMPENSATION COMMITTEE CHARTER**

The Board of Directors (the “Board”) of LaBranche & Co Inc. (the “Company”) has established a Compensation Committee (the “Committee”) for the purpose of reviewing, overseeing and exercising the Board’s responsibilities relating to compensation of the Company’s executive officers and directors, and reporting on executive compensation in the Company’s annual proxy statement in accordance with the rules and regulations of the Securities and Exchange Commission (the “SEC”) and New York Stock Exchange, Inc. (the “NYSE”), as in effect from time to time. This Amended and Restated Compensation Committee Charter shall be effective as of the date of its approval and adoption by the Board.

This Charter is intended as a component of the flexible framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of applicable laws, regulations and listing requirements, as well as in the context of the Company’s Certificate of Incorporation and By-laws, it is not intended to establish by its own force any legally binding obligations.

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**Composition and Meetings**

The Committee shall consist of at least three (3) Board members appointed by the Board, each of whom shall be “independent” (as determined by the Board in accordance with applicable laws, rules and regulations of the SEC and the NYSE) of management and the Company and each of whom shall qualify as a “non-employee director” under Rule 16b-3(b)(3) under Section 16 of the Securities Exchange Act of 1934, as amended, and as an “outside director” under Section 162(m) of the Internal Revenue Code of 1986, as amended. Members of the Committee should be experienced and well-informed on matters relating to executive compensation. The Board also shall appoint one of the members of the Committee to act as Chairperson of the Committee. The Chairperson and each other member of the Committee shall serve until the earlier of (i) the date on which he or she is no longer a member of the Board or (ii) his or her resignation or removal by the Board. The Board may appoint additional or replacement members of the Committee from time to time.

Regular meetings of the Committee shall be held at least annually at such time and place as the Chairperson of the Committee shall notify the other members of the Committee in writing at least 15 business days prior to the date of such meeting. Special meetings of the Committee may be called by the Chairperson of the Committee or by any two (2) members of the Committee by notifying all the members of the Committee of the date, time, place and purpose of such meeting in writing at least three (3) business days prior to the date of such meeting. Any member of the Committee may waive notice of any meeting of the Committee. The attendance of a member of the Committee at any meeting shall constitute a waiver of notice of such meeting, except where such Committee member attends a meeting for the purpose of objecting to

the transaction of any business because the meeting is not lawfully called or convened. A majority of the Committee shall constitute a quorum for the transaction of business at any meeting of the Committee, and the act of a majority of the Committee members present at any meeting at which there is a quorum shall be the act of the Committee, except as may be otherwise specifically provided by law or by the Company's Certificate of Incorporation or By-Laws. If a quorum shall not be present at any meeting of the Committee, the Committee members present thereat may adjourn the meeting until a quorum shall be present. Unless otherwise restricted by law or by the Company's Certificate of Incorporation or By-Laws, any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting if a written consent thereto is signed by all members of the Committee, and such written consent is filed with the minutes of proceedings of the Committee. The Secretary of the Company, or in his or her absence, such person as may be designated by the Chairperson of the Committee, shall act as secretary and keep the minutes of all meetings of the Committee.

### **Authority**

The Committee is authorized to (1) review, consider, oversee and decide, subject to full Board approval in those instances in which the Board has specifically reserved for itself the right of approval or to stockholder approval in those instances required by applicable law or the rules and regulations of the SEC or the NYSE, all matters relating to the Company's compensation programs, including, in particular, the character, timing and amount of compensation of the Company's Chief Executive Officer ("CEO") and other executive officers and directors, (2) administer the Company's Equity Incentive Plan, Annual Incentive Plan, and other equity and incentive compensation plans and programs established by the Company from time to time, and (3) review and assess such other compensation-related matters as the Board shall from time to time direct. Each of the activities described in the immediately preceding sentence shall be conducted in a manner consistent with, and shall be subject to all terms and conditions of, applicable requirements of the SEC and the NYSE, industry standards and this Charter. The Committee also shall regularly report to the Board with respect to its activities and report on executive compensation in the Company's annual proxy statement in accordance with the rules and regulations of the SEC and the NYSE, as in effect from time to time. In carrying out its duties, the Committee shall have the authority to retain and terminate compensation consultants for the purpose of assisting in the evaluation of the Company's compensation programs, particularly CEO and other executive officer compensation, and to approve the fees payable to such consultants and the other terms and conditions of their retention. The Committee also is authorized to obtain advice and assistance from internal or external legal, accounting and other advisors.

In discharging its oversight role, the Committee is authorized to investigate any matter that the Committee deems appropriate, with access to all books, records, facilities and personnel of the Company.

### **Responsibilities**

The principal responsibilities of the Committee are to (1) review and approve the Company's goals and objectives with respect to the compensation of its executive officers, evaluate its executive officers' performance in light of those goals and objectives and set its

executive officers' compensation based on such evaluation, (2) review the Company's overall compensation structure to determine whether it establishes appropriate incentives for the Company's executive officers and directors, (3) make recommendations to the Board with respect to the structure of the Company's equity and incentive compensation plans and programs, and (4) report the results of its activities to the Board at least semi-annually. In carrying out its responsibilities, the Committee shall conduct the following specific activities, which are set forth with the understanding that the Committee may supplement them as appropriate:

1. Annually review and make recommendations to the Board with respect to the compensation of the CEO and other executive officers and key employees of the Company. In reviewing the CEO's and other executive officers' and key employees' compensation, the Committee shall develop packages that:

(a) ensure that base salary and incentive awards are objectively linked to appropriate indicia of the Company's performance, including earnings, return on capital and other relevant financial or operational measures which the Committee deems appropriate;

(b) ensure that compensation is reasonable and affordable within the Company's overall economics;

(c) provide for measures of individual performance that can be controlled or materially influenced by the person who will receive particular payments;

(d) provide for performance measurement cycles that are consistent with the Company's business cycles; and

(e) lead to total cash compensation that is understandable and reasonable relative to performance in the absolute and when compared to that of executive officers and key employees in similar positions at comparable companies and within the Company;

2. Review the CEO's and other executive officers' performance in the context of the Company's Business Policies and Code of Conduct, the overall goals and objectives of the Company, the Company's overall compensation system and relevant stockholder return. The Committee also shall compare the Company's performance to the performance of comparable companies and their respective CEOs and other executive officers and key employees;

3. Annually review and approve, for the CEO and the other executive officers of the Company, annual base salary levels, incentive opportunity levels (both short-term and long-term), proposed employment agreements, severance arrangements and change-in-control agreements, in each case as, when and if appropriate, and any special or supplemental benefits;

4. Periodically review the Company's Equity Incentive Plan, Annual Incentive Plan and other equity and incentive plans and programs for compliance with rules and regulations of the SEC and NYSE, industry standards and the overall compensation philosophy of the Company, and recommend changes, if any, to the Board for approval;

5. Report to the Company's stockholders regarding the compensation of the CEO and other executive officers of the Company in the Company's annual proxy statement filed with the SEC and issued to its stockholders in connection with the Company's annual meeting of stockholders;

6. To the extent delegated thereto by the Board from time to time, designate, and monitor the performance of, the mutual funds which are to be made available as investment options under the Company's Retirement Plan (which responsibility the Committee may delegate to specified members of management, as the Committee deems appropriate);

7. Recommend the formation and delegation of authority to subcommittees of the Committee when appropriate;

8. Regularly report (at least semi-annually) to the Board regarding its findings with respect to all compensation-related matters; and

9. Annually review and reassess the adequacy of this Charter and recommend changes deemed necessary or advisable to the Board for approval. The Committee also shall annually review its own performance.